

HOUSING ELEMENT

OF THE

FOSTER CITY

GENERAL PLAN


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RESOLUTION NO. 81-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOSTER CITY AMENDING THE FOSTER CITY GENERAL PLAN BY ADOPTION OF A REVISED HOUSING ELEMENT (GP-3-80) AND APPROVING CERTAIN AMENDMENTS OF THE FOSTER CITY GENERAL PLAN AS IT PERTAINS TO THE PROPOSED ROUTE 92/EAST THIRD AVENUE INTERCHANGE (GP-4-80)

CITY OF FOSTER CITY

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FOSTER CITY, as follows:

WHEREAS, Section 65302(c) of the California Government Code requires cities and counties to prepare local Housing Elements as part of their General Plans, and Title 25, Subchapter 4 of the California Administrative Code sets forth regulations to be followed in the preparation of local Housing Elements; and

WHEREAS, the State's General Plan Guidelines require citizen involvement in the preparation of said Element; and

WHEREAS, the Foster City Citizens Housing Advisory Committee, a duly appointed committee of the City Council, did assist the consultant in the preparation of said Element and did on August 25, 1980 recommend the adoption of said Element to the Planning Commission and City Council in a joint Study Session; and

WHEREAS, said Element of the General Plan was heard after notice duly given before this Council on May 4, 1981, at which time all persons interested were given the opportunity to be heard; and

WHEREAS, the Planning Commission has given due notice and consideration of said Element and recommended its adoption on December 4, 1980; and

WHEREAS, the Notice of Negative Declaration (EA-168-80) was reviewed, considered and certified by the City Council on May 4, 1981; and

WHEREAS, Specialty Restaurants Corporation has requested a General Plan Amendment to include the proposed Route 92/East Third Avenue interchange in the Circulation Element; and

WHEREAS, the Planning Commission has given due notice and consideration of said General Plan Amendment and recommended its adoption on April 16, 1981; and

WHEREAS, the Bridge Landing Final Environmental Impact Report (SCH# 80050615, EIR-20-80) was reviewed, considered and certified by the City Council on May 4, 1981; and

WHEREAS, the General Plan Amendment (GP-3-80 and GP-4-80) was duly noticed for Public Hearing before the City Council, which Hearing was opened, held and closed on May 4, 1981; and

WHEREAS, the City Council finds that approval of the revised Housing Element and inclusion of the proposed Route 92/East Third Avenue interchange in the Circulation Element of the General Plan will not be detrimental to the health, safety, morals, comfort or general welfare of the persons or property in the neighborhood of the project area or to the City of Foster City.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the General Plan Amendment (GP-3-80 and GP-4-80) as specified in the revised Housing Element and in Exhibit A attached hereto.

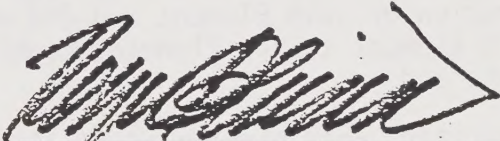
PASSED AND ADOPTED as a Resolution of the City Council of the City of Foster City at a regular meeting thereof held on the 4th day of May, 1981, by the following vote:

AYES: Councilmen Barrett, Chavez, Gilbert, Kruss, and Mayor Chinn

NOES: None

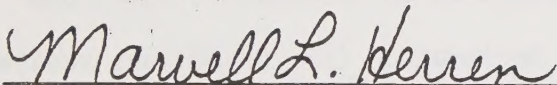
ABSENT: None

ABSTAIN: None



ROGER CHINN, MAYOR

ATTEST:



ANDREA M. PAVONE, CITY CLERK

BY: MARVELL L. HERREN, ASST. CITY CLERK

EXHIBIT A

GENERAL PLAN AMENDMENT -- PROPOSED ROUTE 92/EAST THIRD AVENUE INTERCHANGE

The Circulation Element should be amended to show a full interchange between East Third Avenue and State Route 92. Proposed changes in the Circulation Element are as follows:

1. Exhibit K (p. 59), showing Major Thoroughfares, should be changed to show the proposed interchange.
2. Proposed Interchanges (p. 60) should discuss the proposed Route 92/East Third Avenue interchange.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FOSTER CITY -- TO AMEND THE FOSTER CITY GENERAL PLAN BY ADOPTION OF A REVISED HOUSING ELEMENT (GP-3-80)

CITY OF FOSTER CITY PLANNING COMMISSION

WHEREAS, Section 65302(c) of the California Government Code, requires Cities and Counties to prepare local Housing Elements as parts of their General Plans, and Title 25, Subchapter 4 of the California Administrative Code sets forth regulations to be followed in the preparation of local Housing Elements; and

WHEREAS, the State's General Plan Guidelines require citizen involvement in the preparation of said Element; and

WHEREAS, the Foster City Citizens Housing Advisory Committee, a duly appointed committee of City Council, did assist the consultant in the preparation of said Element and did on August 25, 1980 recommend the adoption of said Element to the Planning Commission and City Council in a joint Study Session; and

WHEREAS, said Element of the General Plan was heard after notice duly given before this Commission on October 2, 1980, continued to November 6, 1980, and continued to December 4, 1980, at which time all persons interested were given the opportunity to be heard; and

WHEREAS, this Commission has given due consideration of said Element as presented with the attached amendments.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission hereby approves the Housing Element with its attached amendments and recommends that the City Council adopt said Element with its attached amendments after consideration of the findings, policies and recommendations therein, as part of the Foster City General Plan.

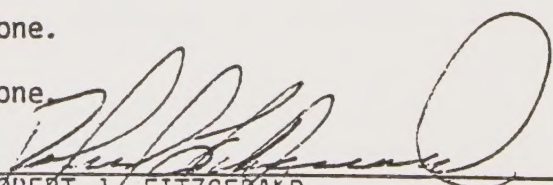
Passed and adopted by the Planning Commission of the City of Foster City at a regular meeting thereof held on December 4, 1980, by the following vote:

AYES, COMMISSIONERS: Broomhead, Dierkes, Oliver, and Chairman Fitzgerald.

NOES, COMMISSIONERS: Kundupoglu.

ABSTAIN, COMMISSIONERS: None.

ABSENT, COMMISSIONERS: None.



ROBERT J. FITZGERALD

Chairman of Foster City Planning Commission

ATTEST:



ROBERT M. STEWART
Secretary to Planning Commission

PREFACE

Purpose

The Housing Element of the General Plan provides a statement of Foster City's housing policies. It sets forth a framework to guide decision making on housing issues. In addition to policy statements, the Element establishes an action program to allow the City to address and resolve its housing problems and needs. The housing goals set forth in the 1976 Initial Housing Element remain essentially the same, but they have been augmented by an expanded program effort which responds to current housing needs.

The contents of the Housing Element also reflect changes in the California Department of Housing and Community Development's (HCD) Guidelines. The revised State Guidelines provide a regulatory framework that focuses on two fundamental components of the local planning effort:

1. The evaluation of the housing needs of all economic segments of the community, and
2. The development of a housing program which makes adequate provision for these identified needs.

Contents

The format of the Housing Element contains the following sections:

- Statement of goals, policies and implementation programs. A time frame is included. (blue pages)
- Introduction which summarizes the existing housing situation in Foster City and outlines priorities for meeting housing needs.
- An analysis of the City's housing needs and problems related to each goal. Constraints which compound the problems are identified. Alternative actions are discussed followed by a restatement of policies and specific actions recommended to achieve the goals.
- A description of citizen participation and the funding sources for implementing the programs. Consistency with other elements of the General Plan is reviewed.

Data Sources

The majority of data used in this report was taken from the 1976 Special Census, California Department of Finance and the Land Use and Population Projections: 1980-1990, Department of Public Works, May, 1979. The census

was conducted on a door to door basis with 7,613 of the total 7,913 households participating. The remaining 3.8% of the units were vacant (under construction, for sale, for rent, etc.)

The 1976 Census data is limited in that it was conducted four years ago. Depending on the question, the overall response rate varied from 60% to 95%. The question with the least response concerned family income in which only 68% responded. The extent of sample error, if any, is unknown. Also, interpretation of the questions might have resulted in improper response.

The Land Use and Population Projections prepared by the Foster City Department of Public Works were based on the 1976 Special Census and internal records kept by the Department on new and planned development. No changes were made in estimating persons per household to reflect the gradually decreasing household size since the variation would be insignificant.

Other data sources include special surveys conducted by the Planning Department, the 1970 U.S. Census, the San Mateo-Burlingame Board of Realtors, and the report prepared by the County's Division of Housing and Community Development and the Human Services Coordinating Council which is titled Affordable Housing: A Comprehensive Strategy for Meeting San Mateo County's Housing Needs, June 1979.

Unless otherwise noted, the data in the report comes from the 1976 Special Census and the Land Use and Population Projections, May, 1979, Department of Public Works, Foster City. For the purposes of this report, these two sources have the best available data.

Acknowledgements

The Housing Element was prepared by a variety of participants who provided their time and input to this effort. The following individuals deserve special acknowledgement.

City Council

David Kruss - Mayor
Gilbert Zimmerman - Council Liaison
Clifton Chavez
Roger Chinn
Peter Gilbert
Clark Barrett

Planning Commission

Robert Fitzgerald - Chairman
John Oliver - Commission Liaison
Kenneth Broomhead
James Dierkes
Aysun Kundupoglu

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FOSTER CITY'S HOUSING PROGRAM

HOUSING GOALS

ADEQUATE SUPPLY OF HOUSING

1. To provide present and future Foster City residents with a safe, sanitary, and affordable dwelling.
2. To develop sufficient housing to meet the needs of the handicapped, elderly, and others with special physical requirements.
3. To provide housing that makes the best use of densities in order to satisfy both housing and open space requirements.
4. To provide a range of housing types to meet the needs of all Foster City residents.

SUFFICIENT DISTRIBUTION

5. To reasonably insure, as required by State law, that all persons regardless of race, sex, cultural origin, marital status, or physical handicaps are provided a choice of locations within the community.

MAINTAIN AND PRESERVE EXISTING QUALITY

6. To maintain the existing quality of housing in Foster City.
7. To prevent deterioration of housing in the community.

CITIZEN PARTICIPATION

8. To review the progress of the program.

POLICIES AND IMPLEMENTATION PROGRAMS TO ACHIEVE AN ADEQUATE SUPPLY OF HOUSING FOR ALL GROUPS

1. The City will promote the development of a subsidized mixed elderly, handicapped, and family housing development containing 100-150 units.

Implementation:

- a. Work with the County who will be requested to evaluate Sites A, B, E, F, G, H, N, and V in Figure 25 to determine the most appropriate site.
- b. Following the evaluation of those sites, the City will work with the County to assist developers and sponsors in utilizing existing federal and state programs for constructing lower-cost housing at the selected site.

2. The City will provide incentives for developers of low and moderate income housing. To lower development costs for this housing, the City may also commit financial resources to "write down" the cost of land.

Implementation:

- a. Adopt an ordinance requiring that developers of any remaining planned residential development with 20 units or more be required to provide one of the following:
 - (1) a portion of the units for rental or ownership at prices affordable to low and moderate income households; or
 - (2) a portion of the land be given to the City to be used as a site for affordable housing, or
 - (3) an in-lieu fee of 1 percent of the selling price of each unit. The City will develop a contract with the County to manage the in-lieu fees on an interim basis until uses are designated. The primary purpose of the fees is to write down land costs for development of low and moderate income housing in Foster City. The ordinance will comply with all State regulations which require cities to enter into an agreement with the developer to either grant a density bonus or provide two other bonus incentives for the project if the developer includes affordable units.

- b. Consider applying for Community Development Block Grant funds or other available state and federal funds to acquire property to write down its cost. A review of these programs will be conducted each year by the Planning Staff beginning in 1981.
 - c. The City will place the issue of affordable housing on the ballot to obtain Article 34 referendum authority should this be necessary to provide for affordable housing.
 - d. Adopt a resolution to give first priority to processing applications that provide low and moderate income housing, to reduce the costs associated with time delays.
3. The City will work with other public agencies to utilize available programs to provide lower-cost housing.

Implementation:

- a. Participate in the Section 8 Program of the 1974 Housing and Community Development Act.
 - b. Contact private developers of lower-cost housing to encourage residential development that utilizes other available subsidy programs or mortgage revenue bonds, such as CHFA financing, Marks-Foran, or SB 99 bonds.
 - c. Provide apartment owners, managers, and tenants with information on the Section 8 Program.
 - d. Consider using Community Development Block Grant funds, if they would become available, to support profit or non-profit organizations active in the promotion of Section 8, Limited Equity Cooperatives, or similar programs. A review of the use of funds for this purpose will be conducted every year beginning in 1981.
 - e. Consider participating in those programs that would be best for the promotion of affordable housing in Foster City if a County-wide non-profit Housing Development Corporation were established. Planning Staff will review this item on an annual basis.
4. The City will designate sites as priority sites for low and moderate income residential development. The designation of these sites will be used to aid in making decisions on specific proposals and to help in the development of the City's plans.

Implementation:

- a. All sites zoned P-F. if considered for rezoning to residential, will be designated priority sites for low and moderate income housing. Any development at those sites should be compatible with existing development.
 - b. Sites zoned commercial or industrial will not be designated as priority sites for low and moderate income housing. However these sites will be reevaluated for this purpose in the fifth year of the housing program if they remain vacant.
 - c. The City will work with HUD to identify specific sites.
5. The City will review commercial and industrial development proposals to determine if affordable housing will be available for the employees.

Implementation:

- a. For large scale developments, the City will consider recommending the developer contact private investment firms that arrange joint homeownership programs for employers and employees in order to provide affordable ownership housing for employees of firms locating in Foster City.
 - b. As development proposals occur, the City will consider a mixed use development on those parcels where a mix is feasible and where the housing needs of the potential employees could be met.
6. The City will regulate the conversion of apartments into condominiums, community apartments, stock cooperatives, and planned developments to preserve the existing stock of rental apartments.

Implementation:

- a. Adopt a conversion ordinance linking any conversions to the development of additional rental housing within the City. The ordinance will provide for lifetime leases for seniors and handicapped tenants, 10 percent of the converted units will be for qualified low and moderate income owners with deed restrictions on resale (unless financing is impossible), or 1% of gross sales must be contributed to the City, and comparable rental housing must be available in the Housing Market Area.

POLICIES AND IMPLEMENTATION PROGRAMS TO INSURE A SUFFICIENT DISTRIBUTION OF HOUSING

1. The City will work toward the elimination of racial and other barriers that prevent free choice in housing.

Implementation:

- a. Develop an age discrimination ordinance applicable to multiple family buildings - ownership and rental. The ordinance will require that the remaining adults-only apartment buildings allow families with children. Within a reasonable time frame after the adoption of the ordinance, the existing adults-only apartment buildings would be required to have rented 10% of their units to families with children. The percentage is low in order to minimize the effects of opening small portions of the buildings to families with children. The ordinance shall also prohibit new and existing Homeowners' Associations from discrimination against families with children unless the physical facilities are limited to elderly persons or unsuitable for children.
 - b. Provide a referral service to link those experiencing discrimination in housing with private groups who handle complaints against discrimination.
 - c. Consider on an annual basis financial support for local organizations such as Operation Sentinel that handle discrimination complaints. This support could come from Community Development Block Grant funds.
 - d. The City Council will appoint a Housing Committee member who has the background experience to work with Staff to study the issue of accessibility for the handicapped as related to housing. The focus of the study will be to provide information to Staff on the various methods by which a housing development could be made accessible to the handicapped.
2. It is the desire of the City to avoid any form of rent control, while accepting a responsibility to protect residents against unfair rent increases.

Implementation:

- a. Draft an ordinance to require all Foster City apartments to report their rent increases for the previous 12 month period by unit. The purpose of this reporting will be to establish a monitoring system to determine the extent of rent increases occurring within the City and compare with other adjacent municipalities. This will allow the Council the opportunity to determine if some form of rent control is necessary. The ordinance shall also stipulate that new buyers of Foster City apartment buildings be made aware of the ordinance and its requirements.

POLICIES AND IMPLEMENTATION PROGRAMS TO MAINTAIN AND PRESERVE EXISTING HOUSING QUALITY

1. The City will encourage measures to maintain its existing housing stock in its overall good condition.

Implementation:

- a. Continue and expand the existing zoning code enforcement programs and the Planning Commission shall review their adequacy. The citation procedures should be completed and implemented. The Planning Staff can explore methods to record identified code violations with the County. Add an ongoing educational program regarding the importance of code compliance including landscaping standards. This program can be accomplished through articles in the local newspapers and mailings with the water bills.
- b. Continue the voluntary fire code inspection program.
- c. Determine the need for an expanded building code enforcement program. If necessary, request adequate staff to establish a voluntary building and zoning code inspection program for the Building and Planning Departments.
- d. Appoint a task force to review and make recommendations regarding improvements or additions to the Building Code. Topics to be covered include energy conservation measures, noise insulation standards, and home additions.

2. The City will encourage rehabilitation efforts when necessary.

Implementation:

- a. Information on the amount and type of housing requiring rehabilitation should be obtained by the task force that reviews and makes recommendations regarding the Building Code. If sufficient need is evident, the City can explore the use of Community Development Block Grant funds to assist in rehabilitation by establishing a Housing Conservation Area. The use of Marks-Foran or SB 99 revenue bonds can also be considered to finance rehabilitation loans.

POLICIES AND IMPLEMENTATION PROGRAMS TO INSURE CITIZEN PARTICIPATION

1. The City will encourage citizen participation to obtain input and review the progress of the housing program.

Implementation:

- a. Appoint a Citizens Housing Advisory Committee to become active one month each year in order to review the progress made toward the achievement of goals and make any recommendations regarding further actions needed to achieve goals. It would be preferable that former committee members be appointed to provide some continuity to the process. The Committee will be responsible to issue a written report on its findings to the Council.

TIME FRAME FOR IMPLEMENTATION OF THE HOUSING PROGRAM

Objectives and Actions	Responsible Agency	Time Frame - Fiscal Year				
		1980-81	1981-82	1982-83	1983-84	1984-85
Provide referrals to link those experiencing discrimination with organizations handling complaints	Planning Staff	*	*	*	*	*
Consider using Block Grant funds to support organizations active against discrimination	Planning Staff		*	*	*	*
Draft and adopt an ordinance requiring reporting of apartment unit rental prices over a one year period	Planning Staff/City Attorney/City Council	*	*			
Appoint a Housing Committee member to study with staff and report on the accessibility of housing for the handicapped	City Council/Planning Staff/Task Force		*			
<u>Maintain And Preserve Existing Housing Quality:</u>						
Expand zoning code enforcement programs	Planning Staff/Planning Commission	*	*			
Provide an ongoing educational program regarding code compliance	Planning Staff		*	*	*	*
Explore methods to record identified code violations	Planning Staff		*			
Continue the fire code inspection program	Fire Department	*	*	*	*	*
Determine need for a building code enforcement program and/or voluntary building and zoning code inspection program	Planning Staff/Building Department		*	*	*	

TIME FRAME FOR IMPLEMENTATION OF THE HOUSING PROGRAM

Objectives and Actions	Responsible Agency	Time Frame - Fiscal Year				
		1980-81	1981-82	1982-83	1983-84	1984-85
Appoint task force to review and make recommendations regarding Building Code	Planning Staff/ Building Department/ Planning Commission/ City Council		*	*		
Determine the need to participate in housing rehabilitation programs	Planning Staff/Task Force Reviewing Building Code		*	*	*	*
<u>Citizen Participation:</u>						
Appoint a Citizens Housing Advisory Committee to review annually the progress made towards achievement of goals	Planning Staff/ City Council		*	*	*	*
Report to Council on progress made towards goals and make recommendations if necessary	Housing Advisory Committee		*	*	*	*



I INTRODUCTION

SUMMARY

In the period from 1965 to the present, Foster City has metamorphosed from a totally undeveloped area to an affluent and mobile community with an estimated 25,003 residents as of 1979. The 1979 population more than doubled the 1970 U.S. Census population of 9,522. The Community will reach capacity in 1990 with a population of 31,412.

Within Foster City, like San Mateo County and other areas throughout the nation, there have been gradual changes in the characteristics of the community. For example the average household size has been declining. The 1971 Special Census reported 3.3 persons per household. By the 1976 Special Census, the average had decreased to 2.68. This trend is in response to changes in lifestyle, a deferment in child bearing, a tendency for young people to establish their own households at a younger age, and increased divorce rates. Consequently, population growth has slowed but there has been an increase in household formations. The significance of all of these trends is that they will affect housing preferences.

Median age in 1971 was 27 years, by 1976 it was 30 years. This increase is still below the San Mateo County median age which was 33.45 years in 1975. Long range forecasts by the California Department of Finance indicate that by 1990 the County median age will have risen to 39.71 years while the proportion of the population under 18 years will have declined significantly. This decline has affected decisions regarding the potential development of Marina High School. While a high school is an important feature in a community and should be pursued, the present enrollment in the San Mateo Union High School District does not support the development of this type of school facility in Foster City.

Based on 1970 Census data, Foster City has a minority concentration above the regional percentage. The most recent statistics from the 1976 Special Census reported the overall minority population at 16.42 percent with Blacks, Chinese, and Japanese making up the major portion of the minority community.

The 1970 Census reported \$17,859 as the mean income per household. In 1978 the estimated mean income per household for the South Bayside market area which includes Foster City, Atherton, Belmont, Hillsborough, Menlo Park, Portola Valley, Redwood City, San Carlos, San Mateo and Woodside, was \$24,708 while the estimated mean family income was \$29,398.

While income has risen, it has not kept pace with the rapidly escalating costs of housing. In 1976 the average selling price for a single family home, in Foster City was \$69,613; by 1979 it was \$136,651. During the month of December 1979 the average selling price reached \$157,139. With respect to ownership housing, prices in San Mateo County have increased about 2.5 times as rapidly as average family incomes. The increased housing costs are compounded by the record mortgage rates and tight money. Another issue associated with the increased cost of housing is that higher income households are purchasing homes that were formerly part of the supply of low and moderate income

housing in Foster City. As a result of the increase in higher income groups, childless couples, and singles, the social composition of the City will most likely change.

Demand for rental units is high. A Planning Department survey in December 1979 indicated a .2 percent vacancy rate. Apartment rents in November and December, 1979 ranged from \$210 monthly for a studio to over \$500 for some three bedroom apartments. No rental unit construction has occurred recently or is planned. Only 3 of the 14 rental apartment buildings in Foster City allow children. Management at all three buildings report extensive waiting lists and numerous complaints about the lack of rentals for families with children.

The average rental condominium has two bedrooms and in January 1980, monthly rents ranged from \$550 to \$575. Townhouses generally have three bedrooms and their monthly rents for January 1980 ranged from \$600 to \$750, depending on the location.

The overall quality of the existing housing stock is good. In fact, several developments (The Islands and Whaler's Cove) have won national awards for design. The oldest housing was constructed in 1962. In the 1970 Census, only three housing units were described as lacking some or all plumbing facilities or lacking complete kitchen facilities. There is also little evidence of overcrowding. Overcrowding could be a future problem as families may choose to live together in order to combine incomes to afford housing. A windshield survey indicated the overall exterior quality of the homes was good. Most problems identified were minor. Preservation of the existing quality is important for the community to retain its vitality. While this is not an immediate problem, it is important to consider that a significant percentage of the housing will become "of age" at the same time. Increased housing costs may result in the reduction of income available for improvement and maintenance which in turn can cause delayed maintenance and further deterioration. Steps can be taken now to preserve quality.

Land use (May 1980) is as follows: Residential-44.5%; Commercial-3.0%; Industrial-1.9%; School-1.0%; Churches-.5%; Parks-2.5%; Lagoon-7.1%; Bayland-.8%; Municipal-.8%; Streets-13.1%; and Vacant-24.8%. By May 1980, 1,948.4 acres of land were developed or development proposals were in the final stages of approval and 643.2 acres were vacant. Buildout is projected to occur by 1990.

Within San Mateo County, Foster City plays an important role in the provision of housing. Development of housing continues and rezoning has also resulted in the availability of additional land to meet housing needs. However, due to the increased costs of land and development the housing needs of the low and moderate income groups are not being met.

FACT SHEET

DATE OF INCORPORATION: 1971
SIZE OF CITY LIMITS: 2591.6 acres

POPULATION PROFILE (1976 Special Census)

1. Population:

Household	20,382
Group Quarters	29
Total	20,411
Projected	31,412 (Build out - 1990)

2. Age:

Median Age	30 years
Under 18 Years	28.8%
18 - 65 Years	68.5%
Over 65 Years	2.7%

3. Minority Population: 16.42%

4. Median Household Income: \$22,816

5. Median Length of Residence: 2 - 3 Years

6. Employment:

7.8%	- Foster City
25.1%	- San Mateo, Belmont, Burlingame
9.2%	- San Francisco International Airport
17.3%	- Other San Mateo County
25.7%	- San Francisco County
5.7%	- Santa Clara County
4.2%	- East Bay
4.9%	- Other

HOUSING CHARACTERISTICS

1. <u>Total Dwelling Units:</u>	7,928	
2. <u>Owner - Renter Distribution:</u>	Owner-Occupied*	- 54.3%
	Renter-Occupied*	- 45.7%
3. <u>Type of Housing:</u>	Single Family Units	- 41%
	Townhouses	- 18%
	Condominiums	- 10%
	Apartments and Duplexes	- 31%
4. <u>Mean Household Size:</u>	2.68	
5. <u>Cost:</u>	Average Home (Single Family, Townhouse, and Condominium) Selling Price During December 1979 - \$157,139	
	Monthly Rent Range for Apartments - November and December 1979	
	One Bedroom	- \$235 to \$385
	Two Bedroom	- \$310 to \$480
	Three Bedroom	- \$400 to \$550
	Monthly Rent Range for Condominiums - January 1980	
	Two Bedroom	- \$550 to \$575
	Monthly Rent Range for Townhouses - January 1980	
	Two Bedroom	- \$575 to \$650
	Three Bedroom	- \$600 to \$750
6. <u>Vacancy Rate:</u>	September - November 1979	
	Overall	
	(zip code 94404)	- 2.1%
	Multifamily	
	(zip code 94404)	- .9%
	December 1979	
	Rental Apartments	- .2%
7. <u>Land Available for Development:</u>	May 1980 - 643.2 acres	

* ABAG Estimates for San Mateo (Market Area 1) 1975

PRIORITIES FOR MEETING HOUSING NEEDS

1. People Living in Foster City
2. People Working in Foster City
3. Potential Residents and Employees

Within each of the above groups priority should go to:

1. Very Low Income Households: defined by HUD as households with incomes less than 50% of the SMSA median income. As of July 30, 1979 the SMSA median income for a family of four was \$20,700. A very low income family of four has a \$10,350 annual income.
2. Low Income Households: defined by HUD as households with incomes less than 80% of the SMSA median. As of July 30, 1979 a low income family of four has an annual income of \$16,560.

FOCUS OF ELEMENT

The Housing Element focuses on three major issue areas:

1. Adequate supply of housing concerns the need to provide a safe and sanitary dwelling of adequate size and acceptable cost for present and future City residents and for the various housing groups within the City.
2. Sufficient distribution of housing by type, size, and cost relates to problems of discrimination based on race, sex, cultural origin, sexual preference, marital, or economic status. Landlord-tenant issues are also addressed in this section.
3. Housing maintenance and preservation addresses the need to continue and improve the existing level of quality.

NEIGHBORHOOD DESCRIPTIONS

Foster City is divided into nine neighborhoods, a town center, Industrial West, Industrial East, and Industrial Park. The information presented below was obtained and updated from the Land Use and Population Projection Report by the Foster City Department of Public Works (May 1979). See Figure 1 for neighborhood locations.

Neighborhood 1 has 610 single family homes, 154 townhouses, 529 apartments, and 38 duplexes. One of the first neighborhoods constructed, it has the oldest housing and some remaining vacant land, which will be residentially and commercially developed. There are 26 acres of the 56-acre Foster City High School Site which are being requested by the owner for rezoning to R-3.

Neighborhood 2 has 746 single family homes, 198 townhouses, and 204 apartments with vacant acreage zoned for commercial.

Neighborhood 3 has 683 single family homes and 282 apartments. The vacant land is planned for a marina and possible additional residential or other public use.

Neighborhood 4 has 351 single family homes, 708 condominiums and 704 apartments. Vacant land is planned for single family residential development.

Neighborhood 5 has 544 townhouses and 250 condominiums. Vacant land is recommended for a park.

Neighborhood 6 has 364 single family homes and 219 townhouses.

Neighborhood 7 and 8a have 240 existing single family homes with over 140 acres planned for parks, schools and about 1,200 single family homes, townhouses, and condominium units.

Neighborhood 8 has 630 single family homes. Additional land remains for commercial and single family use. Part of Neighborhood 8 is located at the northern end of the runway approach to San Carlos Airport. Future development should take noise factors into consideration.

Neighborhood 9 has 329 single family homes, 335 townhouses, 270 condominiums, and 400 apartments. A nine acre vacant site exists that is planned for a school.

Town Center has 344 apartments. The major portion of Town Center is vacant but planned for mixed use. Spinnaker Cove will have 512 condominiums and the downtown section of the Town Center neighborhood will have approximately 620 condominiums mixed with offices, retail, and commercial uses.

The neighborhoods are planned to hold about 4000 persons. The neighborhood park system allows children to go to and from school crossing a minimum number of streets.





II ADEQUATE SUPPLY OF HOUSING FOR ALL GROUPS

COMMUNITY PROFILE

A. Population

The growth of Foster City has occurred at accelerating rates from the initial group of families who moved into the first housing built in 1964. In the 15 years between 1965 and 1980 the population increased over tenfold. The July 1980 population is estimated at 25,847. The City will reach capacity in 1990 with a projected population of 31,412. Figure 2 shows the change in population levels.

Group quarters population is minimal. In 1976, the Special Census reported a group quarters population of 29. This figure is expected to remain constant.

The growth experienced by Foster City has contributed to the overall growth of San Mateo County. Like Foster City, San Mateo County grew at a relatively rapid rate through most of the 1960's. The 1970 County population was reported at 553,230, up from the 1960 census figure of 395,420. County growth between 1970 and 1975 increased at a slower rate (3.7%). The County report Affordable Housing: A Comprehensive Strategy for Meeting the County's Housing Needs estimated 1975 population at 573,658 and the 1980 population at 598,300.

B. Age Distribution

Compared to the County, Foster City has a younger population. Foster City's median age in 1971 was 27 years while in 1976 it increased to 30 years. This rise in median age is anticipated to continue in both the City and the County. The County reported a median age of 33.45 years in 1975 and projected this figure to increase to 39.71 years by 1990. During the 1970's the City and the County experienced a decline in the under 18 population. The 18-64 age population remained basically the same in the County, while it declined in the City. The over 65 segment increased in both jurisdictions. The elderly population is expected to increase to nearly 15% of the overall County population in 1990 while the under 18 population is expected to continue its decline. The drop in the birth rate and the tight high priced housing market cause many families with young children to seek housing elsewhere. Figure 3 shows the changes in the age characteristics of Foster City's population from 1970-1976.

C. Length of Residence

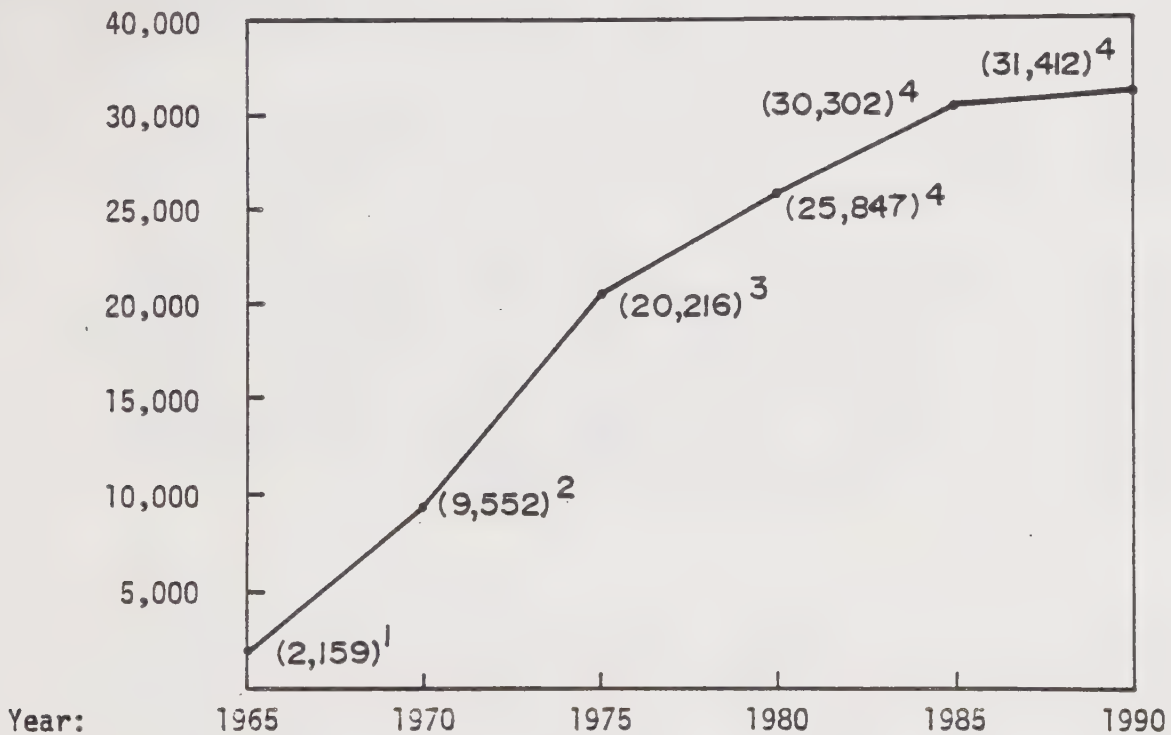
Foster City is a relatively mobile community. Only 14 percent of its residents have lived there for over eight years. The short length of residence in Foster City is in part due to the fact that this is a new

town that experienced a rapid influx of new residents. The affluence of the residents also contributes to their mobility. Figure 4 shows the length of residence. Median length of residence is from two to three years.

FIGURE 2

POPULATION ESTIMATES
FOSTER CITY 1965 - 1990

Population Size



Sources: 1 - Building Department - Foster City
2 - U.S. Census
3 - ABAG
4 - Public Works Department - Foster City

FIGURE 3
POPULATION BY AGE
Comparative Analysis

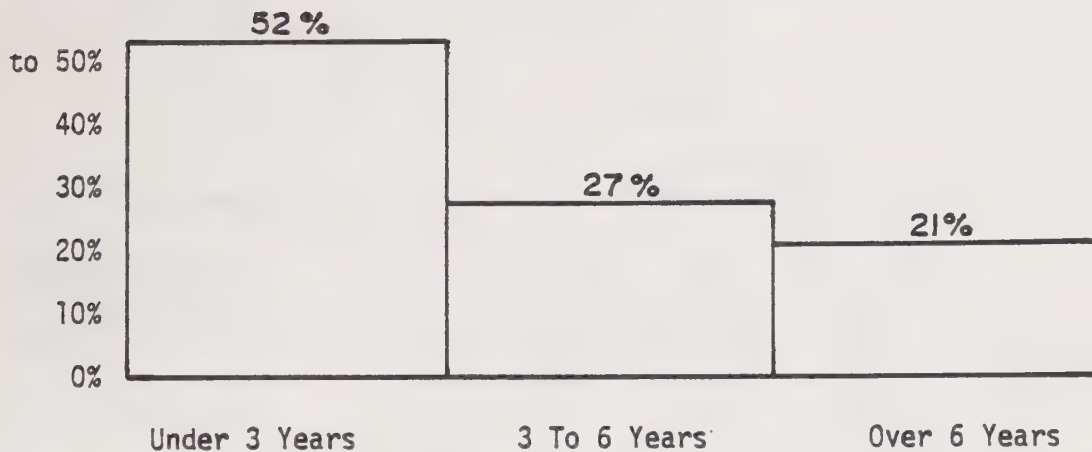
A G E	P O P U L A T I O N					
	Sept. '76 ¹	(%)	June '71 ¹	(%) ³	1970 ²	(%) ⁴
Under 5	1,195	(5.8%)	1,028	(8.8%)	1,012	(10.6%)
5 - 9	1,641	(8.0)	1,421	(12.2)	2,214	(23.3)
10 - 13	1,554	(7.6)	1,114	(9.5)		
14 - 17	1,521	(7.4)	846	(7.3)	703	(7.4)
18 - 20	769	(3.8)	395	(3.4)	276	(2.9)
21 - 34	5,924	(29.0)	2,936	(25.2)	2,126	(22.3)
35 - 44	3,587	(17.5)	2,059	(17.6)	1,613	(17.0)
45 - 64	3,712	(18.2)	1,687	(14.5)	1,393	(14.6)
65 +	553	(2.7)	179	(1.5)	181	(1.9)
Unknown Age	_____	_____	17	_____	4	_____
Total Population	<u>20,436</u>	(100.0%)	<u>11,682</u>		<u>9,522</u>	

Sources:

- (1) Special Census, State Department of Finance
- (2) 1970 - U.S. Census
- (3) 99.9% Sampling
- (4) 99.9% Sampling

FIGURE 4

LENGTH OF RESIDENCE IN FOSTER CITY



Source: 1976 Special Census, State Department of Finance

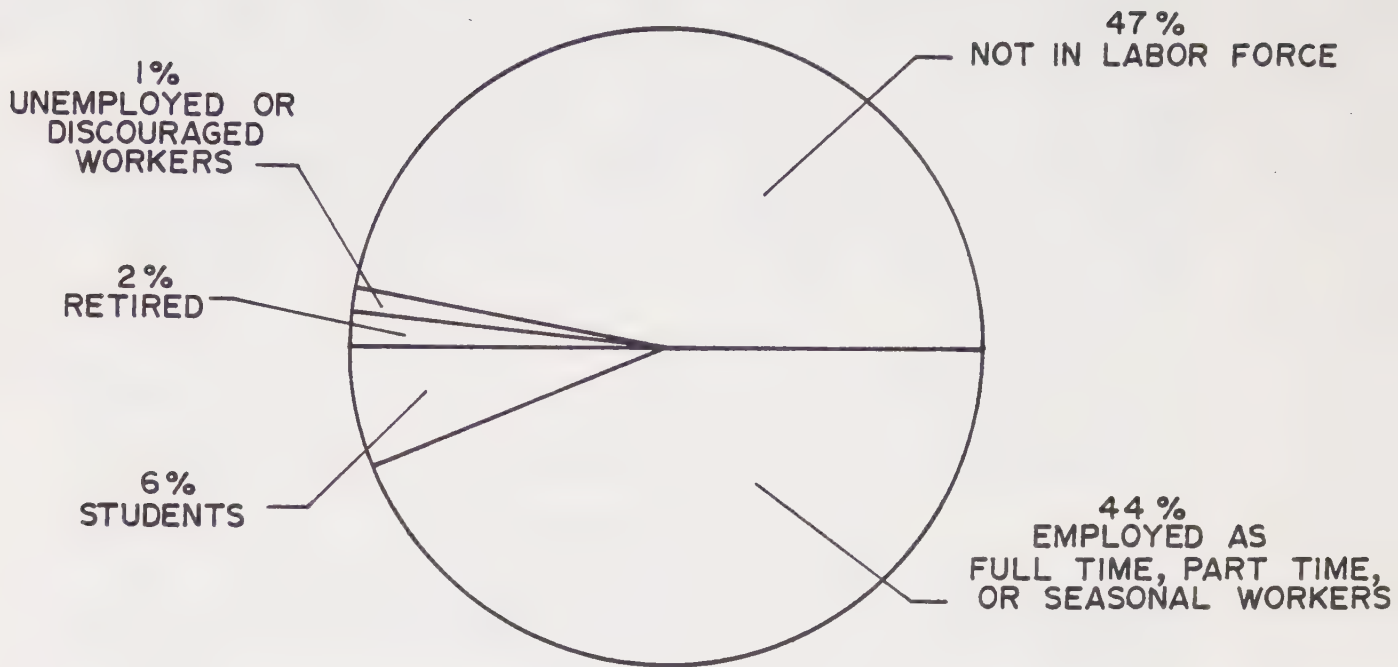
The additional new residential development planned will keep the median length of residence low. Other economic factors, however, may affect mobility. For example, the higher interest rates and shortage of loan money can reduce sales and new home construction. The number of Foster City homes for resale declined in November and December. However, this could be explained by seasonal fluctuations in the housing market.

D. Occupation and Place of Employment

The 1976 Special Census indicated that 36 percent of the women who responded to the question regarding labor force status were employed full time, while an additional 8 percent were employed part time. Figure 5 shows the labor force status of women who responded. The number of working women has increased from the 1970 U. S. Census where 26% of the females over the age of 16 were in the labor force. This increase is significant in that it affects household size, income, and housing preferences. Recent studies such as the book titled Suburbia: Its Implications for Women, (Rothblatt, Sprague, & Garr, 1979) indicate the housing types preferred by working women include condominiums or similar low maintenance housing with amenities such as recreational facilities incorporated into the project.

The community is primarily composed of trade and white collar professional workers. The principal occupation of the primary wage earner is indicated in Figure 6.

FIGURE 5
LABOR FORCE STATUS OF WOMEN IN FOSTER CITY



Source: 1976 Special Census, State Department of Finance

FIGURE 6
PRINCIPAL OCCUPATION OF PRIMARY WAGE EARNER

<u>Occupation</u>	<u>Percent of Labor Force by Occupation</u>
Professional, Technical, and Kindred Workers	34
Management, Officials, and Proprietors	28
Clerical and Kindred Workers	10
Salesworkers	11
Craftsmen, Foremen, and Kindred Workers	7
Operatives and Kindred Workers	2
Service Workers	6
Laborers	2
Total	100

Source: 1976 Special Census, State Department of Finance

The City is basically a commuter community with only 8 percent of the resident working household heads employed in Foster City. Employment is limited to government, industry, and the retail and service businesses located at the neighborhood shopping centers. The extent to which the existing housing supply meets the needs of those presently employed in Foster City cannot be assessed from the available data. Local employment of Foster City residents is expected to increase to 20 percent by 1990 from the current 8 percent when the additional industrial and commercial development in the City is completed. The increase in labor force within the City should be accompanied by a review of the housing available. When planning for commercial and industrial areas, priority should be given to the projects with the potential of employing current Foster City residents. Figure 7 shows the present and projected distribution of work places for Foster City household heads in the labor force.

FIGURE 7

DISTRIBUTION OF WORK LOCATIONS OF HOUSEHOLD HEADS IN THE LABOR FORCE

<u>Work Location</u>	<u>1976 Special Census</u>	<u>1990 Estimates</u>
	<u>Percent of Coded Response of Work Place</u>	<u>Percent</u>
Foster City	8	20
S.M., Belmont, Burlingame	25	20
Other S.M. County	17	13
S.F. International Airport	9	10
San Francisco	26	25
Santa Clara County	6	6
East Bay	4	4
Other	<u>5</u>	<u>2</u>
Total	100	100

Source: 1976 Special Census, State Department of Finance and Foster City Department of Public Works.

E. Minorities

Compared to most of the other San Mateo County communities, Foster City has an above average population of minority persons. Minorities make up 16.4 percent of the total population. Asian-Americans account for almost half of the minority portion of the population. Blacks are one-fifth and persons with Spanish surname or language comprise one-sixth of the minority population. Ethnic distribution of population is illustrated in Figure 8.

FIGURE 8

ETHNIC DISTRIBUTION OF POPULATION

<u>Ethnicity</u>	<u>Percent of Coded Responses of Ethnicity</u>
Non-Minority White	83.5
Black	3.5
Mexican	1.0
Spanish	1.8
American Indian	.2
Chinese	5.2
Japanese	2.0
Filipino	1.2
Other	1.5

Source: 1976 Special Census, State Department of Finance

F. Handicapped Population

As of June 1977, the Social Security Administration reported the total number of persons receiving SSI (Supplemental Security Income) and SSA (Social Security) for the Cities of Foster City and San Mateo was 15,223. 10,710 of this group were over 65 years and 848 were non-elderly disabled. These figures reflect only those individuals receiving some form of assistance and not the total number of handicapped. SSI income for June 1980 is \$402.00 per month. Considering the average monthly rents for a one bedroom apartment in Foster City range from \$235 to \$385, housing affordability by a disabled person is minimal.

G. Income Distribution

San Mateo County, compared to other counties within the State as well as the nation, is considered to be a relatively affluent county. The Bureau of the Census, U.S. Department of Commerce estimated 1975 County per capita income at \$7,075. Of the nineteen cities within the County, the Department of Commerce ranked Foster City as the city with the sixth highest per capita income (\$8,099) in 1975. Between 1969-75 Foster City's per capita income increased at an annual rate of 8.6 percent.

The 1976 Special Census contains information shown in Figure 9 regarding total family income. These figures can provide an index to estimate the number of low and moderate income families in Foster City. Figure 9 shows Foster City to be a relatively affluent community with 69.9 percent of the residents having incomes of 120 percent or more than the County median income. Only about 4.2 percent of the households are described as very low income. 7.6 percent of the households are classified as low income and 18.3 percent are classified as moderate income. The classifications

of very low, low and moderate income are used by the Federal Government to allocate eligibility for housing assistance programs. These are estimated as income groupings and must be adjusted for family size.

FIGURE 9

1975 ANNUAL INCOME OF FOSTER CITY FAMILIES

<u>Income</u>	<u>Number of Families</u>	<u>Percent of Families</u>
Under \$7,400 (Very Low Income)*	221	4.2
\$7,400 - \$11,800 (Low Income)**	390	7.6
\$11,800 - \$17,800 (Moderate Income)***	945	18.3
\$17,800 - \$25,000	1,499	29.1
\$25,000 - \$30,000	886	17.2
\$30,000 - \$35,000	492	9.6
\$35,000 - \$40,000	298	5.8
\$40,000 or above	<u>423</u>	<u>8.2</u>
Totals	5,154	100.0

1975 Foster City Median Income: \$22,816

1975 San Mateo County Median Income: \$14,786

Sources: 1976 Special Census, State Department of Finance and Affordable Housing, A Comprehensive Strategy for Meeting San Mateo County's Housing Needs: prepared by the Division of Housing and Community Development and HSCC, June 1979.

* Very Low Income is defined by the Federal Government as less than 50 percent of the County median income. For 1975, this would be \$7,393.

** Low Income is defined by the Federal Government as 50 to 80 percent of the County median income. For 1975, this would be about \$7,400 to \$11,800.

*** Moderate Income ranges from 80 to 120 percent of the County median income. For 1975, this would be about \$11,800 to \$17,800.

The San Mateo County definitions of low and very low income by family size as of July 30, 1979 are shown in Figure 10.

FIGURE 10

LOW AND VERY LOW INCOMES BY FAMILY SIZE IN SAN MATEO COUNTY AS OF JULY 30, 1979

<u>Family Size:</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Low Income:	\$11,006	\$13,250	\$14,900	\$16,550	\$17,006	\$18,650	\$19,650	\$27,000
Very Low Income:	\$ 6,878	\$ 8,281	\$ 9,312	\$10,343	\$10,628	\$11,656	\$12,281	\$16,875

Specific figures regarding the current average household and family income for Foster City are unavailable. Income estimates are available for the South Bayside Market Area which includes the Cities of Atherton, Belmont, Foster City, Hillsborough, Menlo Park, Portola Valley, Redwood City, San Carlos, San Mateo and Woodside. In 1978 the South Bayside Market Area was estimated to have an average household income of \$24,706, an average family income of \$29,398 and a median family income of \$24,043. Foster City's figures can be expected to be slightly above those estimates. Projecting a 7 percent annual increase in income from 1976 to 1979, mean household income for Foster City can be expected to be around \$28,500. Average income is likely to increase faster than the County average because of the higher income required to afford new housing as well as the increasing costs of existing housing in Foster City.

HOUSEHOLD CHARACTERISTICS

A. Type of Housing

Foster City provides a variety of housing types. The primary type of housing unit is single family (attached and detached) which accounts for about 59 percent of the dwellings in the City. Apartments account for 31 percent of the housing units and condominiums represent 10 percent of all housing units. In Foster City, townhouse units are developed so that each unit and its land area is sold as a single family attached unit. Figure 11 shows the population by dwelling unit in each neighborhood, and separates the single family (detached) units from the townhouse units. Due to the soil conditions, mobile home parks are not feasible for Foster City. Manufactured or pre-fabricated housing is possible and would be a source of lower cost housing.

Figure 12 shows population and dwelling unit projections from 1979 to 1990. The largest increase projected by dwelling unit type is for condominiums which are expected to increase 252 percent over the figures reported in the 1976 Special Census. This increase can be related to the escalating costs of land and housing (condominiums are generally priced lower than single family homes); the decline in family size; and the number of women entering the work force. The 1990 ratio between single family (attached and detached) housing and multiple family housing is expected to decrease slightly to 54 percent single family and 46 percent multifamily. In 1976 approximately 59 percent of the housing units were single family (attached and detached) and 41 percent were multiple family. Multiple family housing units include condominiums, duplexes, and apartments. There is no current information available that details the proportion of single and multiple family dwellings that are renter- or owner-occupied. The assumption should not be made that single family are owner-occupied and multiple family are rented.

B. Owner - Renter Distribution

The 1970 census indicated that the majority of housing units are owner-occupied. Between 1970 and 1975, there was a slight increase in the percentage of renter-occupied housing which can be attributed in part to the higher costs of ownership housing. In 1975, the Association of Bay Area Governments (ABAG) estimated that 54.3 percent of the housing units were owner-occupied and 45.7 percent were renter-occupied. These estimates include Foster City, Belmont, East Palo Alto, Hillsborough, North Fair Oaks, Portola Valley, Redwood City, San Carlos, San Mateo, and Woodside.

FIGURE 11
POPULATION BY DWELLING UNIT WITHIN EACH NEIGHBORHOOD

NEIGHBORHOOD	SF	DUPLEX	T/H	APT.	CONDO	TOTAL
1	<u>2097</u> 595/611	<u>96</u> 35/38	<u>380</u> 150/154	<u>1086</u> 497/531	0	<u>3659</u> 1277/1334
2	<u>2668</u> 736/746	0	<u>506</u> 195/198	<u>313</u> 194/206	0	<u>3487</u> 1125/1150
3	<u>2511</u> 672/683	0	0	<u>175</u> 117/118	0	<u>2686</u> 789/801
4	<u>1070</u> 306/309	0	0	<u>1519</u> 844/868	<u>907</u> 475/521	<u>3496</u> 1625/1698
5	0	0	<u>1231</u> 470/487	0	<u>229</u> 115/156	<u>1460</u> 585/643
6	0	0	<u>541</u> 214/218	0	0	<u>541</u> 214/218
7	<u>28</u> 10/43	0	0	0	0	<u>28</u> 10/43
8	<u>1831</u> 516/529	0	0	0	0	<u>1831</u> 516/529
9	<u>1168</u> 328/332	0	<u>787</u> 327/334	<u>574</u> 392/400	<u>210</u> 96/102	<u>2735</u> 1143/1168
T/C	<u>0</u>	<u>0</u>	<u>0</u>	<u>484</u> 329/344	<u>0</u>	<u>484</u> 329/344
TOTAL	<u>11373</u> 3163/3253	<u>96</u> 35/38	<u>3445</u> 1356/1391	<u>4151</u> 2373/2467	<u>1346</u> 686/779	<u>20411</u> 7613/7928

KEY: POPULATION
OCCUPIED D. U. / TOTAL D. U.

Source: 1976 Special Census, State Department of Finance

FIGURE 12

POPULATION AND DWELLING UNIT PROJECTIONS: 1979-1990

<u>JULY 1979</u>	<u>DWELLING UNITS</u>	<u>PERCENT OF DWELLING UNITS</u>	<u>POPULATION</u>	
SF	3,956	43.3	14,242	
TH	1,451	15.9	3,773	
CD	1,228	13.4	2,456	
APT	2,467	27.0	4,811	
DUP	38	.4	103	
	<u>9,140</u>		<u>25,383</u>	
<u>JULY 1980</u>	<u>DWELLING UNITS</u>	<u>PERCENT OF DWELLING UNITS</u>	<u>POPULATION</u>	
SF	4,085	44.1	14,706	
TH	1,451	15.7	3,773	
CD	1,228	13.2	2,456	
APT	2,467	26.6	4,811	
DUP	38	.4	103	
	<u>9,269</u>		<u>25,847</u>	
<u>JULY 1985</u>	<u>DWELLING UNITS</u>	<u>PERCENT OF DWELLING UNITS</u>	<u>POPULATION</u>	
SF	4,599	41.3	16,412	
TH	1,694	15.3	4,404	
CD	2,286	20.7	4,572	
APT	2,467	23.7	4,811	
DUP	38	(.003)	103	
	<u>11,044</u>		<u>30,302</u>	
<u>JULY 1990</u>	<u>DWELLING UNITS</u>	<u>PERCENT OF DWELLING UNITS</u>	<u>POPULATION</u>	<u>PERCENT CHANGE FROM 1976 CENSUS</u>
SF	4,614	40.0	16,610	+ 41.83
TH	1,694	14.7	4,404	+ 17.9
CD	2,742	23.8	5,484	+252.0
APT	2,467	21.4	4,811	0
DUP	38	(.003)	103	0
	<u>11,555</u>		<u>31,412</u>	

Source: Foster City Department of Public Works

C. Vacancy Rates

The vacancy rates for single and multiple family housing units are low. The Housing Vacancy Survey conducted in September - November 1979, published by the Federal Home Loan Bank of San Francisco, provided information for zip code 94404 which includes Foster City and part of the City of San Mateo. The overall vacancy rate for this zip code area was 2.1 percent. Single family units had a 3.2 percent vacancy rate, while multiple family units had a .9 percent vacancy rate. San Mateo County had a 1.9 percent vacancy rate for multiple family units. The major portion of these percentages includes units under construction and new units for sale.

A December 1979 survey of all the apartment buildings in Foster City indicated a vacancy rate of .2 percent. Vacancy was defined as currently vacant, undergoing repair, or anticipated to be available in two weeks. Consequently a portion of the .2 percent may be assumed to represent "turnover", and not actual vacancies. While the annual rate of turnover can be high, all buildings contacted reported extensive waiting lists. Similar to Foster City, the vacancy rate for the rental housing market in San Mateo County is extremely low. Based on a February 1979 survey conducted by the Human Services Coordinating Council, the rental vacancy rate in the County was .47 percent.

The low rental vacancy is even more significant when taking into account the lack of rental housing starts. While the Zoning Ordinance allows densities for apartments, the Land Use Element of the General Plan makes no further provision for apartments other than those currently existing. This situation is prevalent throughout San Mateo County where rental unit construction peaked in 1973 and since then has shown a relative decline. During recent years, most multiple family construction has been in the more profitable townhouse or condominium category. The impacts of this situation are discussed in the section titled Housing Costs.

D. Female Household Heads

The 1970 Census indicated that 4.7 percent of the household heads were females. More recent statistics are unavailable, however, this figure is expected to be larger due to the increased divorce rate.

HOUSING COSTS

A. Costs of Purchasing a Home

Providing adequate housing for a variety of income groups has become an increasingly difficult goal to achieve. Housing costs have significantly escalated during the past few years because of higher construction costs, speculation, inflation, higher mortgage rates, and the decreasing supply of vacant developable land. The formerly exclusive \$90,000 sales price is now the normal transaction, accounting for 43.6% of existing sales of single family homes in California during July 1979 according to the California Association of Realtors. Because of the increasing costs, low and moderate income families are being priced out of the ownership housing market and shifted into the rental market. Very low income and low income as of July 1979 are those families of four earning less than \$16,560 (80% or less of the SMSA median income). Moderate income families of four would earn from \$16,560 to \$24,840 (80% to 120% of the SMSA median income).

This dramatic increase in housing costs throughout the State is indicative of the situation in Foster City as well as San Mateo County. Figure 13 shows the increase in average selling price of Foster City townhouses, single family homes and condominiums from 1975-1979. Between 1978 and 1979, the average price of a Foster City home increased 25 percent.

FIGURE 13

AVERAGE SELLING PRICE OF FOSTER CITY
SINGLE FAMILY HOMES, TOWNHOUSES AND CONDOMINIUMS FROM 1975 - 1979

<u>Year</u>	<u>Average Price</u>
1975	\$ 60,922
1976	\$ 69,613
1977	\$ 93,251
1978	\$109,041
1979	\$136,651

Source: Burlingame/San Mateo Board of Realtors

The lowest prices for homes in Foster City as of January, 1980 were for condominiums in the \$98,000 to \$105,000 range. Single family homes are generally priced higher than condominiums and townhouses, with newer units priced higher than the average resale home. Figure 14 shows the price ranges for new and resale condominiums and townhouses in Foster City.

FIGURE 14

PRICE RANGES FOR CONDOMINIUMS AND TOWNHOUSES IN FOSTER CITY: JANUARY 1980

	<u>Condominiums</u>	<u>Townhouses</u>
1 Bedroom:	\$ 98,000 - \$105,000	
2 Bedroom:	\$112,000 - \$180,000*	\$123,000 - \$160,000
3 Bedroom:	\$131,000 - \$200,000*	\$129,000 - \$218,000*
4 Bedroom:		\$140,000 - \$239,000*

* Proximity to the water will increase prices significantly.

Source: January 1980 Survey of Local Realtors

The escalating prices of ownership housing around Foster City are reviewed in Figure 15 which compares the average selling price of homes in San Mateo County cities. Selling prices have been increasing over 17 percent annually. Much of the original housing in Foster City was built for moderate income families, however inflation has made it impossible for most moderate income families to buy any home within the City.

FIGURE 15

AVERAGE SELLING PRICES OF HOMES IN SAN MATEO COUNTY: JULY 1979*

<u>Location</u>	<u>Price</u>
Foster City	\$121,805
San Mateo	\$120,869
Burlingame	\$157,973
Hillsborough	\$414,187
North County	\$130,271
South County	\$138,271

* In 1978 the average home in each of these cities sold for about \$20,000 less, except for Hillsborough where it was \$200,000 lower.

Source: Burlingame/San Mateo Board of Realtors

The significance of the housing prices becomes more apparent when compared with the incomes of Foster City residents. The trend for rates of increase in the income of residents averaged from 6 to 7 percent per year between 1970 and 1975. In contrast, housing prices within the County, at least with respect to ownership housing, have increased about 2.5 times as rapidly as average family income. Between 1975 and 1979 the price of an average Foster City home increased over 100 percent. A \$136,000 average

Foster City home requires an annual income of over \$48,000. Typically the affordable sales price ranges between approximately 28 percent and 33 percent of a household's gross annual income.

One definition of inadequate housing used by the Community Development Block Grant Program is when shelter costs exceed 25 percent of gross income. Using this definition Foster City residents with incomes below the \$15,000 per year level will be priced out of the housing market during the period 1980-1985. These households should not be paying more than \$375 per month for rent and/or \$46,500 for ownership housing, assuming a shelter to gross income ratio of 30 percent. The 1976 Special Census reported 20.1 percent of the families in Foster City having incomes of \$15,000 or less. If this percentage remains somewhat constant then approximately 20.1 percent of the low income families in Foster City will be paying more than 30 percent of their income for shelter during 1980-1985.

FIGURE 16

INCOME REQUIRED TO BUY THE AVERAGE HOME IN FOSTER CITY IN 1979

Average house price	\$136,000.00
20 percent down	- 27,200.00
Loan	\$108,800.00
Mortgage payment (13 percent interest 30-years)	\$ 1,194.50/month
Taxes and insurance (approximate)	+ 148.00/month
Monthly payment	\$ 1,342.50
Yearly income needed	\$ 48,330.00

These calculations are approximations since individual cases vary.
The following assumptions were made:

1. The monthly payment involves principal, interest, taxes, and insurance. Maintenance and operating costs such as utility bills, association fees, and repairs are not included.
2. The mortgage payment is assumed to be constant. A variable-rate mortgage would allow interest rates to rise a maximum of 2 1/2 percent of the life of the loan. In effect, the variable rate mortgage reflects current interest rates. A renegotiated-rate mortgage allows the same adjustment, but under its terms interest rates are renegotiated every three to five years.
3. Monthly housing payments are generally equal to 28 percent to 33 percent of gross monthly income, with other monthly payments deducted before determining the amount available for housing.
4. Downpayment requirements also vary depending on the house and buyer's qualifications. Generally 20 percent of the selling price is required by lenders. If financing is obtained through FHA or other federal loans the percentage of the downpayment can be reduced with the acceptance of higher interest rates and monthly payments.
5. The above figures also do not include closing costs which for a house of \$136,000, with a \$108,800 mortgage might be as high as \$4,352.

The County Division of Housing and Community Development and the Human Services Coordinating Council's report titled Affordable Housing estimated 1978 housing affordability and housing availability in terms of income and cost. The estimates covered the South Bayside Market Area, which includes Foster City and nine other cities in San Mateo County. A significant percentage (39 percent) of the theoretical housing demand, based upon incomes, was in the \$77,500 and under housing price range. There is currently no new or resale ownership housing in this price range in Foster City. In addition to the interrelationship between housing costs and income, there are interrelationships between housing demand and supply. Immigration continues while the developable residential land has declined. Development proposals have been received on all Foster City's residential land. Further residential development will require rezoning.

B. The Rental Market

Rental prices are also escalating but not as fast as housing. Annual rent increases varied from about 3 percent to 37 percent in 1979. Figure 17 shows a survey of eleven apartment complexes in November and December 1979 with their rent ranges:

FIGURE 17

RENT RANGES OF APARTMENTS IN FOSTER CITY: NOVEMBER AND DECEMBER 1979

<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
\$210 - \$320	\$235 - \$385	\$310 - \$480	\$400 - \$550

Source: Planning Staff Survey

A February 1979 survey of rental housing costs for Foster City by the Human Services Coordinating Council indicates the following average monthly rents: one bedroom - \$295, two bedroom - \$366, and three bedroom - \$410.

A January 1980 Planning Staff survey of rent ranges for condominiums and townhouses in Foster City revealed that the average two bedroom condominium rented for \$550 to \$575 monthly. Two bedroom townhouses rented for \$575 to \$650 and three bedroom townhouses rented for \$600 to \$750. Price is determined primarily by location.

The current low vacancy rate (.2 percent) for apartments in Foster City, combined with the lack of any new planned rental housing starts has served to tighten the rental market, causing rents to increase further. The County report titled Affordable Housing estimated the distribution of rental housing demand at 1978 dollar levels for the South Bayside Market. The statistics compare income with affordable rent. The figures indicate that 21 percent of the rental unit demand comes from households unable to afford over \$208 per month, assuming that affordable rent was no more

than 25 percent of income. No units in Foster City are below \$210 a month and this amount is paid by tenants who have been long term residents. New residents would pay considerably more for the same unit. Consequently there is a group of households earning up to \$10,000 annually who are entirely priced out of the rental market in Foster City as well as the other 9 South Bayside Market cities. The 1976 Special Census reported 11.8 percent of the Foster City families as having \$11,000 or less annual income.

Conversion of rental apartments to condominiums, stock or community cooperatives serves to further exacerbate the existing conditions. There is little land available for the construction of additional rental units. A conversion to condominiums, stock or community cooperatives, decreases the supply of rental apartment units. The vacancy rate of .2 percent is considerably below the five percent vacancy rate which only a few years ago was considered normal. A .2 percent vacancy rate means that a family would be most likely unable to locate similar housing in the community. Low vacancy rates and the reduction of rental apartments impact all low and moderate income households, not just those that are displaced by the conversion. Lower income households are limited financially as to the housing they can afford and are dependent on a supply of lower cost rental units. Low vacancy rates restrict choice further and each time the apartment rental stock is reduced, additional pressure is put on rents to increase since demand exceeds supply. However, conversions often result in ownership opportunities at lower costs, so conversions can serve a housing need by producing more affordable ownership housing. A method to regulate conversions by requiring the development of additional residential rental units and the provision of low income ownership housing could have a positive effect.

HOUSING NEEDS

Meeting the housing needs of Foster City residents and potential residents requires overcoming several constraints such as the high and continually escalating land and development costs; the reduced supply of available land for residential development; and low vacancy rates plus the lack of new rental construction. Housing needs certainly extend beyond the low and very low income range and compared with other San Mateo County Communities, Foster City has provided and continues to provide a substantial proportion of market rate housing. For example the downtown portion of the Town Center neighborhood formerly planned for all commercial uses, has approximately 612 condominium units proposed as part of the project.

The impact of land costs and low vacancy rates severely affects lower income households. Low and very low income households are those with incomes at 80 percent or less than the SMSA median. The 1970 Census indicated that Foster City has 8.8 percent of its families that fall into this category.

A. Market Constraints

The examples which follow illustrate the development costs which contribute to sales prices and monthly rentals for senior housing and multifamily housing. Also shown are various methods such as the use of density bonuses, inclusionary zoning, and tax exempt financing which reduce development costs. These methods which require modifying the Zoning Ordinance and issuing tax exempt revenue bonds to provide below market interest rate mortgage financing are further described in the section titled "Alternative Ways To Provide Low Cost Housing".

The three cost examples provided are based on current vacant land costs in Foster City. Figure 18 shows a representative plan for elderly housing, proposed for a one acre site. Figure 19 is planned for multifamily apartments that would be constructed on a five acre site. The reductions in rental rates are from \$648 to \$305 per month (53 percent) in Figure 18 and from \$894 to \$464 per month (48 percent) in Figure 19. These cost reduction techniques are without the use of federal subsidies, which can be used in conjunction with these techniques to further reduce housing costs. Figure 20 is a comparison of the costs of a typical townhouse project using a conventional development example and then applying various cost reduction techniques to lower the sales price which will lower the required buyer annual income. Unit sales price is reduced from \$102,289 to \$71,364, while keeping an average density of 14 units per acre.

FIGURE 18

COMPARISON OF CONVENTIONAL DEVELOPMENT
COSTS AND RENTAL FIGURES VS. VARIOUS
COST REDUCTION METHODS ASSUMED
TYPICAL SENIOR HOUSING APARTMENT PROJECT

Example I
Senior Housing
One (1) Acre Site

	650 SQ. FT. CONVENTIONAL CASE	650 SQ. FT. BASE USED WITH COST REDUCTION METHODS	BONUS DENSITY (+20%) UNIT INCLUSION (15%) LOW/MODERATE UNITS	BONUS UNITS @ 550 SQ. FT. REDUCED COSTS LOW/MODERATE UNITS	TAX EXEMPT FINANCING EFFECT LOW/MODERATE UNITS
Total Units	50	43	7	7	7
Density (Units/Acre)	(1) acre	43 du-(1) ac (1) acre			
Land Requirement/Acre					
Land Cost per Acre	\$ 200,000	\$ 200,000	\$ -0-	\$ -0-	\$ -0-
Construction Costs					
Site Preparation	\$ 87,120	\$ 87,120	\$ -0-	\$ -0-	\$ -0-
Unit Construction	\$1,462,500	\$1,257,750	\$204,750	\$165,550	\$165,550
Financing (1)	\$ 178,137	\$ 147,935	\$ 22,522	\$ 18,210	\$ 6,870
Other 15%	\$ 232,443	\$ 201,730	\$ 30,712	\$ 24,832	\$ 24,832
Total Construction Costs	\$1,960,200	\$1,694,535	\$257,984	\$208,592	\$197,252
Total Costs With Land	\$2,160,200	\$1,894,535	\$257,984	\$208,592	\$197,252
Required Gross Rents/ Annual Income (2)	\$ 388,836	\$ 322,070	\$ 48,636	\$ 33,374	\$ 25,642
Average Rent per Unit per Month	\$ 648	\$ 624	\$ 579	\$ 397	\$ 305
Required Annual Income					
Rent Equals 25% of Income	\$ 31,104	\$ 29,952	\$ 27,792	\$ 19,056	\$ 14,640
Rent Equals 33% of Income	\$ 25,660	\$ 24,710	\$ 22,928	\$ 15,721	\$ 12,078

(1) Interim loan @ 13% and 2 points, plus permanent loan 1 point.

(2) Assumes gross rental income (100%) is equal to sum of operating expenses (35%) and net operating income (65%) where the latter is equal to sum of developer return on equity at (5%) and debt service payment. Permanent loan @ 12%, 30 years.

Source: Cathy Simon Report, May 22, 1980.

FIGURE 19

COMPARISON OF CONVENTIONAL DEVELOPMENT
COSTS AND RENTAL FIGURES VS. VARIOUS
COST REDUCTION METHODS ASSUMED
TYPICAL MULTIFAMILY APARTMENT PROJECT

Example II
Multifamily
Five (5) Acre Site

	900 SQ. FT. CONVENTIONAL CASE	900 SQ. FT. BASE USED WITH COST REDUCTION METHODS	BONUS DENSITY (+20%) UNIT INCLUSION (15%) LOW/MODERATE UNITS	BONUS UNITS @ 800 SQ. FT. REDUCED COSTS LOW/MODERATE UNITS	TAX EXEMPT FINANCING EFFECT LOW/MODERATE UNITS
Total Units	180	150	30	30	30
Density (Units/Acre)		30 du-(1) ac			
Land Requirement/Acre	5 acres	5 acres			
Land Cost per Acre	\$ 1,000,000	\$1,000,000	-0-	-0-	-0-
Construction Costs					
Site Preparation	\$ 435,600	\$ 435,600	-0-	-0-	-0-
Unit Construction	\$ 7,290,000	\$6,075,000	\$1,215,000	\$1,080,000	\$1,080,000
Financing (1)	\$ 849,816	\$ 716,100	\$ 133,650	\$ 118,800	\$ 44,600
Other 15%	\$ 1,158,750	\$ 976,590	\$ 182,250	\$ 162,000	\$ 162,000
Total Construction Costs	\$ 9,733,566	\$8,203,290	\$1,530,900	\$1,360,800	\$1,286,600
Total Costs With Land	\$10,733,566	\$9,203,290	\$1,530,900	\$1,360,800	\$1,286,600
Required Gross Rents/ Annual Income (2)	\$ 1,932,041	\$1,564,559	\$ 244,944	\$ 217,728	\$ 167,258
Average Rent per Unit per Month	\$ 894	\$ 869	\$ 680	\$ 604	\$ 464
Required Annual Income					
Rent Equals 25% of Income	\$ 42,934	\$ 41,721	\$ 32,640	\$ 29,030	\$ 22,300
Rent Equals 33% of Income	\$ 35,402	\$ 34,412	\$ 26,928	\$ 23,918	\$ 18,374

- (1) Interim loan at 13% and 2 points, plus permanent loan fee of 1 point.
- (2) Assumes gross income (100%) is equal to sum of operating expenses (35%) and net operating income (65%) where the latter is equal to sum of developer return on equity at (5%) and debt service payment. Permanent loan @ 12%, 30 years.

Source: Cathy Simon Report, May 22, 1980.

FIGURE 20

COMPARISON OF CONVENTIONAL DEVELOPMENT
COSTS AND PURCHASER INCOME VS. VARIOUS
COST REDUCTION METHODS ASSUMED
TYPICAL TOWNHOUSE PROJECT

Example III
3.57 Acre Site

11-23

	1,300 SQ. FT. CONVENTIONAL CASE	1,300 SQ. FT. BASE USED WITH COST REDUCTION METHODS	BONUS DENSITY (+20%) UNIT INCLUSION (15%) LOW/MODERATE UNITS	BONUS UNITS @ 1,300 SQ. FT. REDUCED COSTS LOW/MODERATE UNITS	TAX EXEMPT FINANCING EFFECT LOW/MODERATE UNITS
Total Units	60	51	9	9	9
Units/Acre		14			
Density		50 du @ 1,300 sq. ft.			
Land Requirement/Acre	3.57 acres	3.57 acres			
Land Cost	\$ 714,000.00	\$ 714,000.00	-0-	-0-	-0-
Construction Costs					
Site Preparation	\$ 311,142.00	\$ 311,142.00	-0-	-0-	-0-
Unit Construction	\$3,510,000.00	\$2,983,500.00	\$526,500.00	\$486,000.00	\$486,000.00
Financing	\$ 487,890.00	\$ 414,706.00	\$ 73,183.00	\$ 67,554.00	\$ 24,994.00
Other 15%	\$ 526,500.00	\$ 447,525.00	\$ 78,975.00	\$ 72,900.00	\$ 72,900.00
Off Site Improvements (Estimate)	\$ 29,869.00	\$ 29,869.00	-0-	-0-	-0-
Total Construction Costs	\$4,865,401.00	\$4,186,742.00	\$678,658.00	\$626,454.00	\$583,894.00
Total Costs With Land	\$5,579,401.00	\$4,900,742.00	\$678,658.00	\$626,454.00	\$583,894.00
Average Cost Per Unit	\$ 92,990.00	\$ 96,092.00	\$ 75,406.00	\$ 69,606.00	\$ 64,877.00
Plus 10% Profit Per Unit	\$ 9,299.00	\$ 9,609.00	\$ 7,540.00	\$ 6,960.00	\$ 6,487.00
Total Unit Sales Price	\$ 102,289.00	\$ 105,701.00	\$ 82,946.00	\$ 76,512.00	\$ 71,364.00
Per Square Foot	\$ 78.68	\$ 81.30	\$ 63.80	\$ 63.76	\$ 59.47
Required Buyer Annual Income When Mortgage Payment Equals 33% Of Income	\$ 44,316.00	\$ 45,648.00	\$ 36,216.00	\$ 33,336.00	\$ 31,320.00

(1) Interim construction loan at 13% and 2 points.

(2) Assumes a 20% down payment with a 30 year mortgage at 12.75%. Mortgage payment includes principal, interest, taxes and insurance.

B. Government Constraints

1. Land Use and Development Controls

Foster City's development regulations would allow for flexible development standards to permit affordable housing. However development proposals have been received for the remaining residential land. Further residential development in every area but Town Center would require a General Plan amendment and rezoning. The rezoning would most likely be to a PD designation. The General Plan and Zoning Ordinance are inconsistent in regard to Town Center where the General Plan permits residential development but the Zoning Ordinance does not allow residential uses. Figures 24 and 25 summarize land use and provide information on vacant parcels within the City.

The Land Use Element of the General Plan allows condominium developments from 20 units to 35 units per acre, while apartments are allowed up to 20 units per acre. There is no residential development within the City over 20 units an acre, though the R-4 district in the Zoning Ordinance allows 35 units an acre. Because of parking and open space requirements, the allowable 20 units per acre is often further reduced to 14-16 units per acre. To obtain additional residential land, a rezoning to R-3 or R-4 would be necessary along with a General Plan amendment. While densities are often lower than the allowed limits, the maximum density could be achieved in the case of elderly housing if parking requirements were reduced.

2. Service and Facility Infrastructure

In 1978, each assessor's parcel of land in Foster City was divided into a separate "zone of benefit". The zones were established along with a formula to measure benefits in order to determine a dollar assessment for each zone which would be used to pay the principal and interest on the City's bond indebtedness. A reassessment was necessary since inflation made it impossible to complete public works projects from previously authorized bond issues. All parcels were assessed for benefits derived from drainage, lagoon frontage treatment, sewer, and water. The formula for assessment permits annual recalculations to account for new development. Future residential development, as well as all other development, is required to assume responsibility for its zone of benefit. Annual costs for multifamily apartment buildings depend on the public works projects both completed and needed in each neighborhood location. In 1978 in Neighborhood 1, a 122 unit apartment building's debt assessment calculations were \$21,319 and in Neighborhood 3, a 164 unit apartment building's debt assessment calculations were \$27,872.

3. Permit Approval Process

Development review also affects housing costs. Because of interest rates and inflation the longer it takes for a development proposal to be approved, the higher the development costs. A large scale residential project with 100+ units can take up to six months between the time the initial application is filed to when the project is approved. Prior to beginning residential development in Foster City, an application must be submitted to the Planning Department and must be approved by the Planning Commission and the City Council before filing for a building permit. Processing time varies based on the size of the project and the extent of environmental review required. Planning fees required are comparable in cost to other peninsula cities and reflect post Proposition 13 needs. The fees are variable in that a base rate is established to which staff time and materials are added.

4. Local Utilization of State and Federal Programs

Foster City does not currently participate in the Community Development Block Grant Program administered through San Mateo County. To participate in federal or state programs related to the provision this type of housing would require the City to cooperate with the County. If the City did not cooperate with the County and attempted to institute a program of its own to promote affordable housing, the program would still need to be administered by an outside non-profit type of agency.

5. Article 34

Article 34 of the California Constitution requires a positive vote of the electorate in order to allow the construction of low cost public owned, developed, or financed housing. A referendum such as this has never been proposed and/or submitted to the Foster City electorate. Without referendum authority, a Housing Authority can still participate in various federal and state programs that promote low and moderate income housing programs but is unable to utilize HUD's low rent Public Housing Program that provides for public owned rental housing. Also, without referendum authority the City cannot use tax exempt financing for more than 49 percent of the units in a project which is privately owned and developed.

C. Definition of Need

Housing need is defined in several ways. The Federal Department of Housing and Urban Development (HUD) defines households in need as households with incomes below 80 percent of the County median with one or more of the following characteristics:

1. Overcrowding - Families with more than 1 person per room are considered to be living in overcrowded conditions. The 1970 Census indicated that only 1 percent of the units in Foster City were overcrowded. This figure may increase as more families decide to share housing in order to afford it.
2. Substandard Housing - The 1970 Census classified substandard housing units as lacking some or all plumbing and lacking complete kitchen facilities. In 1970 only three housing units met this definition. This information has been updated and is found in Section IV.
3. Overpayment - Households paying more than 25 percent of their income in rent are considered to be living in housing that is too expensive. Due to the existing costs of housing, more families are paying over 25 percent of their income for rent.
4. Special needs - The elderly, handicapped, large families and minority households have special needs that should be recognized.

Using these definitions and extrapolating data from the 1970 Census and 1976 Special Census, Foster City has approximately 58 percent of its low income families in need. This percentage was obtained through a County ratio where 58 percent (37,238) of the estimated 64,000 low income households were paying shelter costs in excess of 25 percent of gross income and/or residing in substandard or overcrowded dwellings. (Affordable Housing, page 15). Information regarding the relationship between income and ethnic composition, handicapped status, family size, or the elderly is unavailable.

D. The Fair Share Allocation Process

1. Definition

California planning law [Government Code Section 65302 (C)] requires each community to make adequate provision for the housing needs of all economic segments of the community. The State defines local responsibility to the community to be measured in terms of the housing needs not only of the resident population but also of a "fair share" of the households that might reasonably be expected to live within the locality if a variety and choice of housing appropriate to their needs were available. The private market mechanism can better provide for the housing needs of market rate households. A fair share allocation plan was developed by HCD for the general housing market area. The general housing market area includes the urbanized portions of the six core Bay Area counties - Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara. A general housing market area is defined by HUD as a "regional geographic unit, within which local interaction has resulted in economic and social interdependence with respect to the provision of housing, employment and service opportunities."

2. Data Limitations

In estimating a fair share allocation for Foster City, various limitations related to the data were encountered. For example, HCD defines "need" as households with incomes of 80 percent or less of the regional median, however the available data uses family income rather than household income. Household size is not reflected, so the effect of household size on need has not been considered. The income figures are based on 1970 data, so the income distributions are somewhat out of date. These limitations are not crucial since the primary purpose of HCD's fair share allocation is distributive in that Foster City's responsibilities are defined in terms of the overall housing market area. The 1980 Census information when it is available can update this data.

3. Foster City's Fair Share

The fair share model developed by HCD for this area is based on the assumption that all localities should share equally in the pursuit of decent, affordable housing for all. This assumption refers to a "same share" approach in which each jurisdiction is assigned responsibility for responding to the housing needs of a proportional share of the area's non-market rate households. Since the 1970 Census indicated that 35 percent of Bay Area households are low income, a "same share" allocation would call on each locality to expand housing opportunities to equal 35 percent of its projected population.

While the "same share" approach accommodates equity considerations, it does not take into account existing housing opportunities or the relationship between jobs and housing. Existing housing opportunity refers to jurisdictions with a housing market that is more responsible to lower income households. Therefore HCD modified the 35 percent "same share" allocation for each jurisdiction by a +5 percent to a -5 percent factor based on each city's existing percentage of non-market rate families. Since Foster City has a low percentage of non-market rate families, its modifying factor is negative as seen in Figure 21.

In order to improve access to employment, there was another modifying factor in which +5 percent to -5 percent was added or subtracted to the 35 percent "same share" percentage. The Municipal Transit Authority provided information on the commuting patterns and travel times between the 440 zones that constitute the ABAG region. Figure 21 indicates Foster City's "modifying factor - job accessibility" is zero.

Another modification was necessary for jurisdictions, like Foster City, that have few existing non-market rate households. It would be impossible to expect that within the five year scope of the housing plan, this type of city could increase its percentage of non-market rate households by more than 10 percent. Therefore, HCD established a maximum variation of 10 percent between the existing percent of non-market households and the fair share percent in order to provide reasonable goals. Figure 21 shows the final fair share allocation of 18.8 percent for Foster City.

FIGURE 21

FOSTER CITY'S FAIR SHARE ALLOCATION DEVELOPED BY HCD

<u>SAME SHARE</u>	<u>EXISTING OPPORTUNITY (MODIFYING FACTOR)</u>	<u>JOB ACCESSIBILITY (MODIFYING FACTOR)</u>	<u>SAME SHARE MODIFIED</u>	<u>1970 NON-MARKET RATE HOUSEHOLDS</u>	<u>FINAL ALLOCATION</u>
35%	-5	0	30%	8.8%	18.8%

The fair share allocation of 18.8 percent is the percentage that should be applied to the 11,044 total projected dwelling units for 1985. This procedure would define Foster City's fair share allocation of low income households for 1985 to be 2,076 (HH) units. This figure includes both met and unmet needs. Fair share need is met to the extent the existing supply provides decent housing to non-market rate households. Foster City's program effort will address unmet need only. Using the previously described HUD criteria to define housing need and applying the County unmet need percentage (58 percent), Foster City's 1980 existing need is 816 and its unmet need is 473 households. These figures were obtained by multiplying 8.8 percent times the number of 1980 households. 8.8% is the percentage of Foster City households identified as low income in 1970. However it is expected that this percentage has increased so the 473 households in need is a conservative figure. The 1985 unmet need takes into account the HCD fair share allocation for Foster City (18.8%), the projected number of 1985 households (11,044), and the percent of low income families (58 percent), experiencing unmet needs. Using these definitions there will be 1,204 non-market rate households (dwelling units) by 1985 that have an unmet need. These numbers are further divided into the following categories in Figure 22.

FIGURE 22

HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE IN 1980 and 1985
AS DEFINED BY THE FAIR SHARE ALLOCATION DEVELOPED BY HCD

1980 Households (includes met need and unmet need)

Elderly	294 *
Families (4 or less)	432 *
Large Families (5 or more)	90 *
	<hr/> 816

1985 Projected Households
(includes met need and unmet need)

Elderly	747 *
Families (4 or less)	1,100 *
Large Families (5 or more)	229 *
	<hr/> 2,076

* These figures were obtained by using percentages that represent the regional averages for non-market rate households in each of the three categories.

Current development constraints, primarily the lack of available land and the need to strengthen the commercial and industrial base, make it impossible to provide for an unmet need of 1,204 non-market rate households by 1985. However this figure allows for the establishment of annual targets to meet local housing needs. An appropriate target for Foster City to address its needs would be in the 3 percent to 5 percent range. This would also satisfy the HUD description of the minimal goals to be established in a Housing Assistance Plan. Figure 23 shows need satisfaction targets for Foster City.

FIGURE 23

NEED SATISFACTION TARGETS FOR FOSTER CITY AS DEFINED BY THE
FAIR SHARE ALLOCATION DEVELOPED BY HCD: 1981-1985

<u>1985 FAIR SHARE ALLOCATION</u>	<u>1985 UNMET NEED</u>	<u>15% to 25% by 1985</u>	<u>3% to 5% ANNUAL TARGET</u>
2,076 Dwelling Units	1,204 Dwelling Units	180 - 301 Dwelling Units	30 - 60 Dwelling Units

The HCD fair share allocation process requires a 3 percent annual target with 15 percent of the unmet need reached after 5 years. In order to participate in the Department of Housing and Urban Development's Housing Assistance Program, a 5 percent annual target is required with 15 percent of the unmet need reached after three years. Therefore, annual targets and the five year goal reflect a range.

AVAILABLE LAND

The identification of needs and constraints associated with the development of low income housing would be incomplete without the evaluation of sites for the development of this housing. The evaluation of sites is also necessary to: encourage such development; aid in making decisions on specific plans or development proposals; and provide for the incorporation of these sites into the General Plan, allowing for rezoning when appropriate.

Figure 24 is a land use summary which shows vacant and developed land. There are no further vacant acres planned for residential development. There are approximately 1,600 more residential units to be built in Foster City. The 1,600 units are in an intermediate or final stage of the approval process.

However, there are other vacant sites which have potential for a residential rezoning. Figure 25 shows the location of these sites and the acreage. R-3 Zoning allows for 20 units per acre and R-4 allows 35 units per acre.

FIGURE 24
LAND USE SUMMARY - MAY, 1980

	<u>DEVELOPED*</u>	<u>VACANT</u>	<u>TOTAL</u>	<u>PROJECTED 1990 DEVELOPED</u>
RESIDENTIAL	1,153.5		1,153.5	1,194.0**
COMMERCIAL	78.8	105.5	184.3	276.4**
INDUSTRIAL	49.6	366.0	415.6	138.1**
SCHOOLS	26.2	74.5	100.7	58.8
CHURCHES	13.4	6.1	19.5	18.5
PARKS	61.1	86.9	148.0	152.9
LAGOON	185.0		185.0	185.0
BAYLAND	20.0		20.0	206.9
MUNICIPAL	20.8	4.2	25.0	25.0
STREETS AND HIGHWAYS	<u>340.0</u>	<u> </u>	<u>340.0</u>	<u>336.0</u>
TOTAL ACRES	1,948.4	643.2	2,591.6	2,591.6

* Includes parcels where proposals are in intermediate or final stages of approval.

** Includes future public street right of way (Approximately 21.9 acres residential and 15 acres commercial/industrial).

Source: Foster City Department of Public Works, May 1979 and
Planning Staff Update, May 1980.

FIGURE 25

VACANT LAND INVENTORY AND SITES THAT COULD BE CONSIDERED FOR REZONING TO ACCOMMODATE LOW AND MODERATE INCOME HOUSING

<u>SITE</u>	<u>NEIGHBORHOOD/ LOCATION</u>	<u>G.P. DESIGNATION</u>	<u>ZONING</u>	<u>PARCEL TOTAL/ VACANT ACREAGE</u>	<u>ADJACENT USE</u>	<u>POTENTIAL FOR RESIDENTIAL REZONING</u>
A	3-Bowditch	Schools	PF (Public Facilities)	20.9/9.4	School/ Residential	X
B	1	Schools	PF	56.1/56.1	PF/ Multifamily	X
C	9	Schools	PF	9.0/9.0	Residential	
D	1-Civic Center	Public and Semi Public	PF	8.9/4.2	Civic Center	
E	2-Lutheran Church	Public and Semi Public	PF	3.1/1.5	Residential	X
F	8-Peninsula Sinai	Public and Semi Public	PF	1.9/.9	Residential	X
G	8-St. Ambrose	Public and Semi Public	PF	1.3/.7	Residential	X
H	4-Central Peninsula Church	Public and Semi Public	PF	2.0/2.0	Residential and Church	X
I	4-N.E. Catamaran and Shell	Parks and Recreation	OSC (Open Space and Conservation)	3.3/3.3	Residential	
J	5-N.W. Catamaran and Shell	Parks and Recreation	OSC	5.7/5.7	Residential	

VACANT LAND INVENTORY (Continued)

<u>SITE</u>	<u>NEIGHBORHOOD/ LOCATION</u>	<u>G.P. DESIGNATION</u>	<u>ZONING</u>	<u>PARCEL TOTAL/ VACANT ACREAGE</u>	<u>ADJACENT USE</u>	<u>POTENTIAL FOR RESIDENTIAL REZONING</u>
K	9-Edgewater Park	Parks and Recreation	OSC	8.6/2.2	Residential	
L	7-Sea Cloud	Parks and Recreation	OSC	50.0/50.0	Open Space	
M	TC/Parcel A	Town Center Residential and Commercial	C2-PD	5.1/5.1	Vacant	
N	TC-East	Town Center Residential and Commercial	C2-PD	95.7/95.7	Vacant	X
O	I-Foster City Industrial Park	Light Industrial	M-1-PD	39.7/2.6	Industrial	
P	I-3rd Avenue	Light Industrial	M-1	3.1/1.6	Industrial	
Q	I-East	Light Industrial	CM-PD	26.0/26.0	Industrial	
R	I-Specialty Restaurants	Light Industrial	CM-PD	12.4/12.4	Industrial	
S	I-West	Light Industrial	CM-PD	147.4/136.5	Industrial and Vacant	
T	I-North	Light Industrial	M-1	186.9/186.9	Vacant	
U	1-Foster City Blvd./Balclutha	Public and Semi Public	PF	2.0/1.0	Church/ Residential	
V	8-Parcel P	Community Commercial	CM-PD	3.9/3.9	Residential	X

Source: Land Use Projections, Department of Public Works, January 1, 1979 and Planning Staff Update, May, 1980

A. Criteria for Evaluating Sites

1. Elderly and Handicapped Housing

Elderly housing is typically apartments with one and two bedrooms, designed for people 62 years of age and older. Elderly housing can have higher densities than family housing and includes some handicapped units.

The primary considerations in evaluating sites in Foster City for elderly housing are: proximity to shopping, social services, public transportation, and health care. Since apartment managers prefer a project with at least 50 units, the site size should be a minimum of two acres. If density was increased for elderly housing one acre would be acceptable. Also of primary consideration is compatibility to adjacent development, cost, and community acceptance.

Secondary considerations involve proximity to recreation and churches, special amenities such as trees and views, and the absence of detrimental conditions such as traffic, noise, industrial use, etc. Using these criteria, the most likely sites for elderly housing would be in the Town Center or on part of the vacant parcel in Neighborhood 1 (Site B in Figure 25, page II-32). Here the elderly are afforded proximity to transportation, shopping, and recreation. All of the vacant Foster City sites are flat which increase the accessibility for the elderly and handicapped. The adjacent uses in Town Center will be high density residential and commercial and the adjacent uses in the parcel next to the civic center include multifamily residential.

2. Family Housing

Family housing is defined as attached dwellings, often garden apartments, with two or three bedroom units designed for families with children. These units are appropriate for federal subsidies but many of the existing apartments in Foster City exceed federal cost limits. However other subsidies make it possible to build these units for low and moderate income families. Some handicapped units are also provided among the family units.

The primary considerations in evaluating sites for low and moderate income families are: distance to public transportation, schools, employment, recreation; school quality and overcrowding; site size (one acre or larger); compatibility with adjacent development; assessed value; and community acceptance.

Secondary considerations include distance to shopping, social services, health care, and churches; special amenities such as trees and views; topography; and absence of detrimental conditions such as traffic, noise, industrial use, etc.

With the exception of the Town Center site, the other sites indicated in Figure 25 have the potential to be considered as family housing sites. All development of affordable housing should be part of a master plan to be developed in a manner as to be indistinguishable from the rest of the development that may occur at those sites. All sites are in the existing residential neighborhoods which have schools and recreational facilities and are accessible to public transit. The Foster City Middle Elementary school is not overcrowded. The two Kindergarten through 5th grade elementary schools are at capacity and currently excess students are bussed to other schools in the district with less enrollment. The San Mateo School District is presently determining whether to expand the existing Kindergarten through 5th grade Foster City schools or build another Foster City school. According to the School District, additional enrollment as a result of any subsidized multifamily development would not generate enough students to impact the decision to either expand the existing schools or build another school.

Accessibility to employment is more difficult to determine, while Foster City is almost built out residentially, there is still much industrial and commercial development needed. The 1976 Census reported only 7.8 percent of the household heads live and work in Foster City. By 1990 this percentage is expected to increase because of the additional commercial and industrial development. There is also a serious traffic problem for commuters leaving the City for work each morning. Delays of up to twenty-five minutes within the City limits are experienced by some residents. These delays are significant in considering the small size of the community. This condition is expected to improve with the widening of East Hillsdale Boulevard and East 3rd Avenue and the completion of the Highway 92/U.S. 101 interchange. The East Hillsdale Boulevard and East 3rd Avenue widening should occur within two years, however the completion date for the Highway 92/U.S. 101 interchange is uncertain. Foster City is also applying for a Highway 92/East 3rd Avenue interchange.

B. Infrastructure Constraints

The traffic impacts are important to consider in the site evaluation for the reasons expressed in the preceding section. Vacant industrial and commercial lands, with the exception of Town Center, were not considered suitable for rezoning to residential because of the City's need to strengthen its industrial and commercial base which in turn will assist in reducing the bond indebtedness. A further analysis of the suitability of vacant commercial and industrial lands for low and moderate cost housing can be made after five years.

The only City owned Public Facilities' land which is vacant is a 4.2 acre parcel. This land was planned for the expansion of the existing police facilities. An evaluation can be made to determine if this additional land is still needed for those purposes and if development into a police facility is feasible.

ALTERNATE WAYS TO PROVIDE LOWER COST HOUSING

Providing low cost housing for Foster City residents and potential residents continues to be a problem. Homeownership for low to moderate income residents is almost an impossibility. With new single family homes selling for over \$200,000, and the average home priced at \$136,000 families earning under \$48,000 cannot afford to own housing unless they have existing equity to increase their downpayment above the 20 percent level. Increasing density, modifying City regulations to reduce construction costs, or participating in federal programs will not significantly reduce the costs of single family homes. The exclusion of low income families from the single family home market increases pressure on the rental market reducing the rental vacancy rate while increasing rents. The housing shortage that currently exists prevents the natural forces within the private market from working to make rents more affordable.

The focus for providing new housing is best directed to multifamily rental units. Emphasis should be placed on the development of elderly and handicapped housing due to the large and growing concentration of elderly in the City. These units are more likely to be constructed at a price range which lower income families can afford. The use of federal subsidies also has the best impact in this area.

The development of a housing program will require Foster City to become actively involved with both the private sector and other public agencies. Provision of affordable housing is an objective that the City cannot accomplish by itself. The following programs illustrate methods where the use of subsidies or non-monetary housing cost reduction techniques can increase the supply of affordable housing for lower income households.

A. Non-monetary Housing Cost Reduction Techniques

1. Assistance to Developers

The City can aid developers, of low cost housing by the selection of sites for lower cost housing and provision of information regarding federal and state subsidy programs. Both non-profit and private developers that specialize in the construction and/or financing of lower cost housing can be encouraged to submit proposals for various sites identified.

2. Rezoning and General Plan Amendment

To meet the fair share allocation of 30-60 units per year for Foster City, a rezoning and General Plan Amendment would be necessary. A portion of the goals can be met through participating in the Existing Section 8 Program. It is estimated that about 50 units of Section 8 existing can be added from 1981-1985

to meet the City's housing goals. San Mateo County or public or private developers of low and moderate income housing would need to further evaluate the sites identified within this report. Rezoning of all sites would not be necessary to meet the City's housing goals.

Because the City is projected to be built out by 1990, it will be unable to continue adding low and moderate income housing without redevelopment. However it would be difficult to increase the number of low and moderate units set in the yearly goals because of the existing traffic conditions and the need to emphasize commercial and industrial development.

3. Bonus Incentives

Cities have often used zoning tools to promote special types of development or provide various amenities. Generally incentives such as reduced parking or increased density have been granted for providing additional open space, setback, or pedestrian amenities in commercial and industrial developments. Bonuses can reduce some of the development costs of low income housing. For example, by permitting development at higher densities, land costs can be reduced. The developer is allowed higher density and a reduction in site improvement costs if he or she provides a portion of the extra units at cost.

Bonus incentives can be used by allowing extra density for all lower cost housing in all multifamily zones or only for those sites identified for the development of low cost housing. The Zoning Ordinance could be modified to accomplish this or a "floating zone" for low cost housing could be established. A floating zone is a specialized type of zone classification which is not mapped but exists in text form in the zoning code. Whenever a development is proposed that complies with the floating zone, the area for the development may be mapped into such a zone.

4. Bonus Incentives Plus Inclusionary Zoning

In discussing bonus incentives, the term "inclusionary zoning" is often used to define a technique by which communities encourage private development of low and moderate income housing by adding to the development approval process a check point where such units are mandated or subject to a negotiated alternative. The developer is allowed higher densities while a portion of the units are priced at cost. Either the Zoning or Subdivision ordinance can be used to require the development of low and/or moderate income housing as a percentage of each new housing project.

In some cases, density bonuses of 20 percent are permitted and 15 percent of the total number of units are to be priced at cost (i.e. unit construction costs plus financing; no land site improvement or marketing costs and no profit). This formula is estimated to lower unit costs by 30 percent for townhouse-type units and over 11 percent for typical apartments.

The use of density bonuses as a part of or separate from inclusionary zoning requires a means of assuring the continued affordability of the lower cost units. This is often done by trust deeds which restrict the rates of resale to increases in the Consumer Price Index plus major improvements.

5. Modifications in Zoning and Building Codes and Reduced Amenity Packages to Further Lower Non-Essential Costs

This is another incentive for developers to provide lower cost housing. Unit size reductions, reduced "amenity" packages such as expensive fixtures and floor coverings, and reduced parking space requirements for senior housing can further lower costs.

6. Residential-Commercial Mix

Combining residential and commercial uses in Town Center could provide lower cost housing. Even building market rate rentals would help to ease the tight rental market. To encourage residential-commercial mix, height or density can be increased when housing is provided. Further incentives can be provided if the housing proposed is lower cost housing.

7. Priority Processing Projects That Include Non-Market Rate Units

Generally housing costs are increased the longer it takes for a development project to obtain the required number of approvals. Priority processing is used to get plans and permit applications for lower cost housing approved as rapidly as possible. This makes the development of lower cost housing more attractive to builders. To accomplish "fast track" processing, a policy can be developed to speed up processing for such projects. Such a policy would involve giving projects that include non-market rate units priority in staff, Commission and Council review. The impact of this technique upon reduction of housing costs is uncertain. In San Mateo County, a conservative estimate of \$800 per unit saving is assumed.

8. Review Industrial and Commercial Development Proposals

Proposals for new industrial and commercial development should be reviewed to determine if affordable housing will be available for future employees. There are private consultant and investment firms which arrange homeownership programs between employers and employees. The programs involve the employer and employee sharing equity in housing. This makes it possible for employees in the \$25,000 to \$30,000 moderate and middle income range for Foster City to afford housing. The employer assists with the downpayment and monthly payments are structured so that the employee gradually takes over more of the housing payments. This program enables employers to compete more effectively for moderate income key employees by placing them in homes at reduced entry costs. The employer also shares in the tax benefits and investment rewards of single family homeownership without

the usual landlord-tenant problems. This type of a program might be considered if a large development was proposed that would include many moderate and middle income employees. Homeownership would involve either constructing ownership housing at the site, similar to industrial parks in Palo Alto which have planned residential and industrial mix or the employer assists in the purchase of existing housing.

9. Regulation of Condominium, Stock Cooperatives, and Community Apartment Conversions

Lower cost housing that already exists should be maintained and conserved. One method to accomplish this is to regulate the conversion of rental units into condominiums. Conversion of rentals while providing lower cost ownership housing reduces the rental supply and increases rental prices if the demand remains constant. The impact is especially greater for lower income households. However, where the majority of purchasers are tenants, demand is also decreased. Bay area communities have taken steps to regulate the rate of conversions to reduce pressure on the existing rental stock. Some of these regulations include:

- Prohibiting conversions if the vacancy rate falls below 5 percent.
- Limiting the number of conversions per year.
- Prohibiting conversions if the ratio of multiple family rental units to single family homes, townhouses, and condominiums falls below a certain percentage.
- Requiring the availability of comparably priced housing.
- Requiring that a percentage of tenants purchase the units.
- Requiring that a percentage of the converted units be for low income occupants.
- Extending leases for seniors.

Any combination of these approaches could be instituted in Foster City. The Housing Advisory Committee has recommended that an ordinance be developed that would tie any conversion to the development of additional rental housing.

B. Use of Subsidies to Reduce Housing Costs

1. Participation in the Community Development Block Grant Program

Costs of new housing can be reduced further if the City participates in the Community Development Block Grant Program. These funds can be used for "land banking" in which the City purchases vacant land and sells it to the developer for a reduced price to construct lower cost housing such as Section 8 and Farmer's Home Subsidy. The money returned from the sale can be used to purchase more lands or directed to other programs.

The City could also apply for a position to administer and coordinate the Housing Program. Block Grant funds or Federal "701" Comprehensive Planning Grants could be used to fund the position.

2. Participation in the Section 8 Housing Assistance Subsidies

These subsidies are available for rental units or limited equity co-ops as part of the 1974 Housing and Community Development Act. The funds go directly to a developer or non-profit sponsor, guaranteeing that the units are subsidized up to the life of the mortgage. The developer obtains his or her financing, but the Section 8 allocations facilitate obtaining the financing. The Section 8 New Construction Program also allows higher rent levels than for existing units.

The City can also agree to participate in the Existing Section 8 Program. To qualify, a household must have an income of 80 percent or less of the County's median income. This figure is adjusted for family size. The Section 8 Program establishes "fair market" rent levels, including utilities. These levels are the maximum a unit can rent for to be eligible for the program.

The HUD maximum rents as of March, 1980 for units in San Mateo County are as follows:

<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
\$246	\$299	\$351	\$488	\$533

These "fair market" rents with few exceptions are within the rent ranges of apartments in Foster City as shown in Figure 17. Thus, families who qualify for Section 8 subsidies could find some units to rent in Foster City. Current low and moderate income renters might also qualify for Section 8 subsidies.

3. State Instituted Programs

There are several programs which provide loans for low cost housing or rehabilitation, such as those operating under the California Housing and Finance Agency, the Marks-Foran Residential Rehabilitation Act (1973) and SB 99 (1975). These funding sources are further described in Section V.

POLICIES AND IMPLEMENTATION PROGRAMS TO ACHIEVE AN ADEQUATE SUPPLY OF HOUSING FOR ALL GROUPS

1. The City will promote the development of a subsidized mixed elderly, handicapped, and family housing development containing 100-150 units.

Implementation:

- a. Work with the County who will be requested to evaluate Sites A, B, E, F, G, H, N, and V in Figure 25 to determine the most appropriate site.
- b. Following the evaluation of those sites, the City will work with the County to assist developers and sponsors in utilizing existing federal and state programs for constructing lower-cost housing at the selected site.

2. The City will provide incentives for developers of low and moderate income housing. To lower development costs for this housing, the City may also commit financial resources to "write down" the cost of land.

Implementation:

- a. Adopt an ordinance requiring that developers of any remaining planned residential development with 20 units or more be required to provide one of the following:
 - (1) a portion of the units for rental or ownership at prices affordable to low and moderate income households; or
 - (2) a portion of the land be given to the City to be used as a site for affordable housing, or
 - (3) an in-lieu fee of 1 percent of the selling price of each unit. The City will develop a contract with the County to manage the in-lieu fees on an interim basis until uses are designated. The primary purpose of the fees is to write down land costs for development of low and moderate income housing in Foster City. The ordinance will comply with all State regulations which require cities to enter into an agreement with the developer to either grant a density bonus or provide two other bonus incentives for the project if the developer includes affordable units.

- b. Consider applying for Community Development Block Grant funds or other available state and federal funds to acquire property to write down its cost. A review of these programs will be conducted each year by the Planning Staff beginning in 1981.
 - c. The City will place the issue of affordable housing on the ballot to obtain Article 34 referendum authority should this be necessary to provide for affordable housing.
 - d. Adopt a resolution to give first priority to processing applications that provide low and moderate income housing, to reduce the costs associated with time delays.
3. The City will work with other public agencies to utilize available programs to provide lower-cost housing.

Implementation:

- a. Participate in the Section 8 Program of the 1974 Housing and Community Development Act.
 - b. Contact private developers of lower-cost housing to encourage residential development that utilizes other available subsidy programs or mortgage revenue bonds, such as CHFA financing, Marks-Foran, or SB 99 bonds.
 - c. Provide apartment owners, managers, and tenants with information on the Section 8 Program.
 - d. Consider using Community Development Block Grant funds, if they would become available, to support profit or non-profit organizations active in the promotion of Section 8, Limited Equity Cooperatives, or similar programs. A review of the use of funds for this purpose will be conducted every year beginning in 1981.
 - e. Consider participating in those programs that would be best for the promotion of affordable housing in Foster City if a County-wide non-profit Housing Development Corporation were established. Planning Staff will review this item on an annual basis.
4. The City will designate sites as priority sites for low and moderate income residential development. The designation of these sites will be used to aid in making decisions on specific proposals and to help in the development of the City's plans.

Implementation:

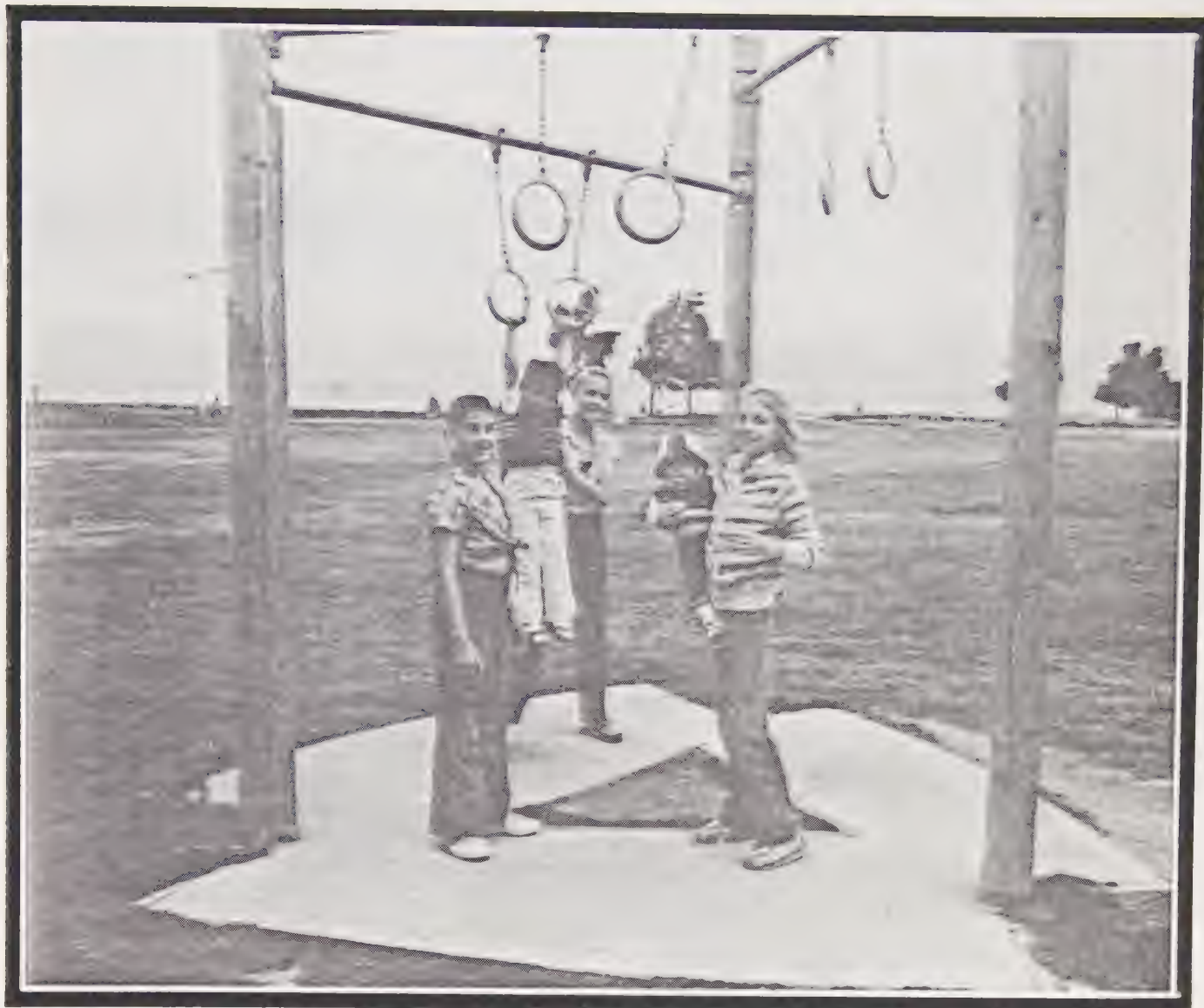
- a. All sites zoned P-F, if considered for rezoning to residential, will be designated priority sites for low and moderate income housing. Any development at those sites should be compatible with existing development.
 - b. Sites zoned commercial or industrial will not be designated as priority sites for low and moderate income housing. However these sites will be reevaluated for this purpose in the fifth year of the housing program if they remain vacant.
 - c. The City will work with HUD to identify specific sites.
5. The City will review commercial and industrial development proposals to determine if affordable housing will be available for the employees.

Implementation:

- a. For large scale developments, the City will consider recommending the developer contact private investment firms that arrange joint homeownership programs for employers and employees in order to provide affordable ownership housing for employees of firms locating in Foster City.
 - b. As development proposals occur, the City will consider a mixed use development on those parcels where a mix is feasible and where the housing needs of the potential employees could be met.
6. The City will regulate the conversion of apartments into condominiums, community apartments, stock cooperatives, and planned developments to preserve the existing stock of rental apartments.

Implementation:

- a. Adopt a conversion ordinance linking any conversions to the development of additional rental housing within the City. The ordinance will provide for lifetime leases for seniors and handicapped tenants, 10 percent of the converted units will be for qualified low and moderate income owners with deed restrictions on resale (unless financing is impossible), or 1% of gross sales must be contributed to the City, and comparable rental housing must be available in the Housing Market Area.



III SUFFICIENT DISTRIBUTION OF HOUSING

EXISTING CONDITIONS

Closely related to the issue of adequate housing is the issue of accessibility of the housing, so that each household regardless of ethnic, economic, or marital status is provided with a reasonable choice of locations in the community. Problems that relate to accessibility focus on two main areas: discrimination and landlord-tenant conflicts.

A. Discrimination

Discrimination against homeseekers on the basis of race, religion, national origin, sex, marital status, color, or ancestry is prohibited by State and Federal Law. While this discrimination exists, an approximation as to the extent is uncertain. The only available information comes from Operation Sentinel, a local non-profit agency, funded by Bay Area jurisdictions to investigate claims of discrimination throughout the Bay Area. Last year Operation Sentinel reported there were approximately 30 to 40 investigations of illegal discrimination in Foster City with double that number in telephone inquiries. The majority of complaints were made by single women who wanted to share a rental unit. In cases where sufficient evidence of discrimination is obtained, clients are referred for legal service.

Another type of discrimination exists that is not illegal. This discrimination relates to families with children. In a survey of Foster City apartment buildings conducted in December, 1979, only three of the buildings allowed children. The results of the survey are indicated in Figure 26.

Figure 26

Children in Foster City Apartments

	<u>No. of Apartment Buildings</u>	<u>No. of Units</u>	<u>% of Total Units Surveyed</u>
Children Allowed	3	617	25%
Children Not Allowed	<u>11</u>	<u>1,850</u>	<u>75%</u>
Totals	14	2,467	100%

Source: December 1979 Planning Department Survey

The low vacancy rate in rental apartments plus the limited number of units available to children make it very difficult for families with children to find rental apartments in Foster City. Management at the three apartment buildings that allow children reported extensive waiting lists and numerous complaints from families with children about the lack of rental housing for children. Apartments provide the low cost housing in the City as indicated in Section II. Because of the increased costs of single family housing, the demand for multifamily units has increased. Adults-only apartment buildings exacerbate the problems faced by families seeking rental units in an already tight rental market. This situation is especially difficult for single parent families who often require low cost housing. Age discrimination is a factor in preventing the development of a balanced community. A number of California communities have recognized this problem and taken steps to alleviate the situation. The remedies employed usually involve age discrimination ordinances in which landlords are prohibited from discriminating against children as well as the elderly.

Discrimination against handicapped persons is not necessarily a conscious action directed against the handicapped minority. It can result from being unaware of the needs of this particular population. While an owner or landlord would be willing to sell or rent to the handicapped, the home can be inaccessible to a person confined to a wheelchair or with other mobility handicaps. Existing housing generally would require major alterations to be fully utilized by the handicapped. However, building such features into new housing does not unduly add to the cost of construction.

Discrimination also exists against individuals with different sexual preferences. The extent of this type of discrimination is unknown. Several Bay Area communities have enacted legislation to prohibit this discrimination.

B. Landlord-Tenant Conflicts

Landlord-tenant conflicts center around several areas. The major portion of these problems involve the following:

1. Complaints from landlords regarding non-payment of rent and property destruction.
2. Claims by tenants regarding unreasonable rent increases.
3. Inability of tenants to reclaim cleaning and/or security deposit.
4. Claims by tenants of landlords' failure to maintain and repair the buildings and facilities.
5. Other issues involve noise, pest and rodent control, etc.

The degree and extent of the problem is difficult to document since the City has no established mechanism to carry on an in-depth investigation. Individual complaints, however, do receive attention and response.

The landlord-tenant problems can be resolved on an informal basis through mutual agreement of the parties involved. Other solutions involve legal remedies and/or the involvement of third parties such as the Legal Aid Society of San Mateo County or Operation Sentinel which conducts investigations and referrals. The Human Relations Commission of San Mateo County also provides an information and referral service to landlords and tenants.

ALTERNATIVE MEASURES TO PROMOTE THE ACCESSIBILITY OF HOUSING

A. Control of Discrimination

1. To discourage illegal forms of discrimination the City can seek better state and federal enforcement of fair housing laws and it could cooperate with local agencies that investigate claims of discrimination. This cooperation can involve strong policy statements by the City in this regard or an information and referral service can be established to handle complaints. Also Block Grant funds can be used to provide private agencies with funds to continue their operations.
2. An age discrimination ordinance could be drafted to prohibit discrimination against families with children. While there is a great need for more rental housing for families with children, an age discrimination ordinance that required only a small percentage of units available for children would insure that a significant part of an adult complex could remain for adults only.
3. Another solution to open more units to families with children might involve the designation of certain buildings or floors within a complex as open to families with children.
4. When additional multifamily units are constructed, preference can be given to developers who have planned and designed buildings that accommodate children. Changes can be made in the subdivision approval process and zoning ordinance to encourage the provision of family units.
5. In the event conversions occur, priority can be given to those developments which allow children.
6. Codes and standards can be revised to promote architecturally accessible housing for the handicapped.
7. An investigation into the extent of discrimination against those with different sexual preferences can be undertaken. If the information obtained supports claims of this type of discrimination, an ordinance can be proposed to prohibit discrimination on the basis of sexual preference.

B. Involvement in Landlord-Tenant Conflicts

1. The City could establish a rental housing mediation committee to prevent and remedy conditions that cause landlord-tenant conflicts. This procedure would involve recruitment and training of staff.
2. If the situation indicates a necessity, the possibility of rent controls can be explored. A monitoring system could be established to determine the extent of rent increases occurring on a city-wide basis. An alternative to this might involve some form of rent control for elderly tenants.
3. Another method to assist in landlord-tenant problems would be to financially support (through federal funds) private agencies active in this area and refer landlords and tenants to these agencies upon request.
4. The final alternative would be to stay uninvolved as is presently the status.

POLICIES AND IMPLEMENTATION PROGRAMS TO INSURE A SUFFICIENT DISTRIBUTION OF HOUSING

1. The City will work toward the elimination of racial and other barriers that prevent free choice in housing.

Implementation:

- a. Develop an age discrimination ordinance applicable to multiple family buildings - ownership and rental. The ordinance will require that the remaining adults-only apartment buildings allow families with children. Within a reasonable time frame after the adoption of the ordinance, the existing adults-only buildings would be required to have rented 10% of their units to families with children. The percentage is low in order to minimize the effects of opening small portions of the buildings to families with children. The ordinance shall also prohibit new and existing homeowners' associations from discrimination against families with children unless the physical facilities are limited to elderly persons or unsuitable for children.
 - b. Provide a referral service to link those experiencing discrimination in housing with private groups who handle complaints against discrimination.
 - c. Consider on an annual basis financial support for local organizations such as Operation Sentinel that handle discrimination complaints. This support could come from Community Development Block Grant funds.
 - d. The City Council will appoint a Housing Committee member who has the background experience to work with Staff to study the issue of accessibility for the handicapped as related to housing. The focus of the study will be to provide information to Staff on the various methods by which a housing development could be made accessible to the handicapped.
2. It is the desire of the City to avoid any form of rent control, while accepting a responsibility to protect residents against unfair rent increases.

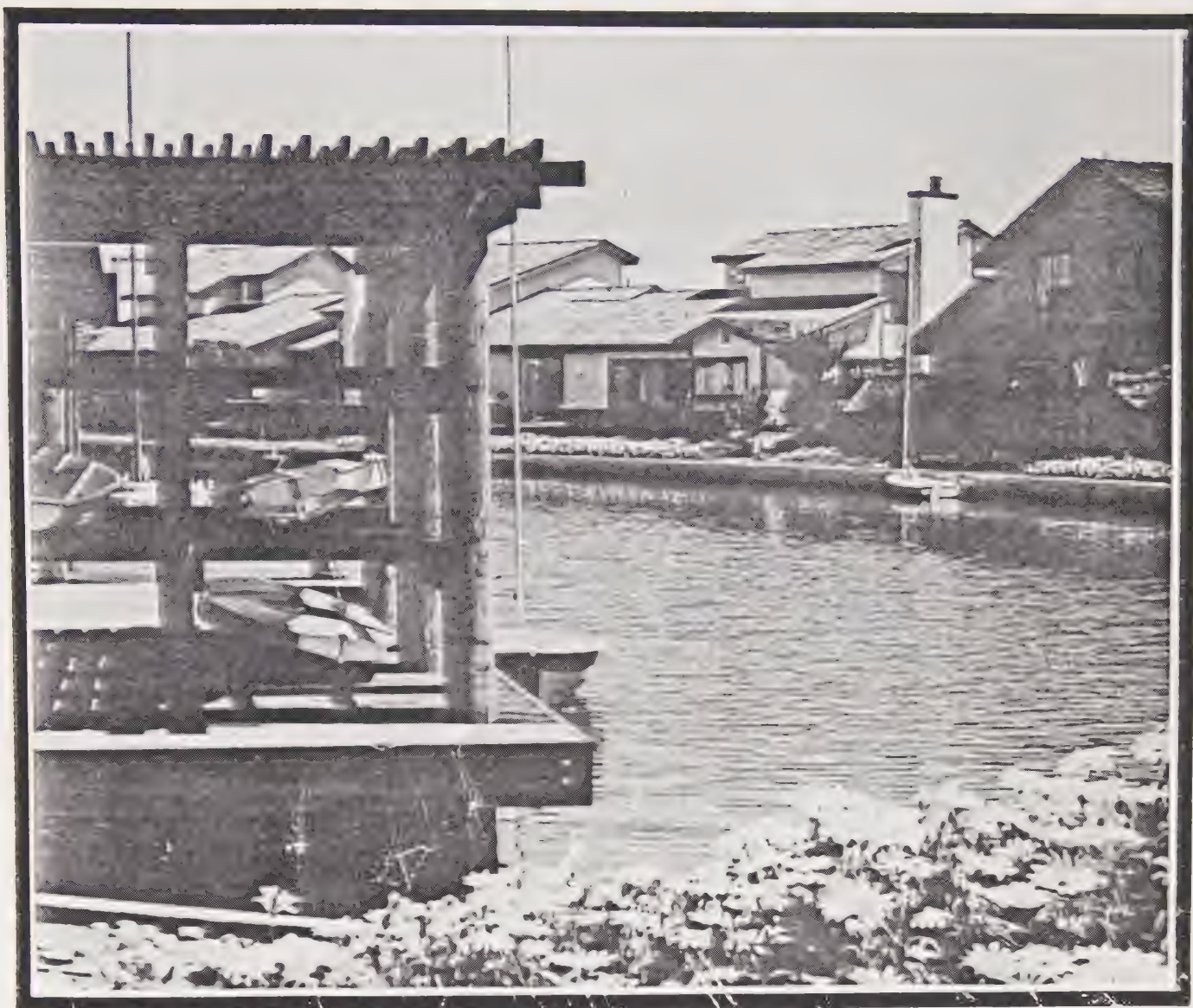
Implementation:

- a. Draft an ordinance to require all Foster City apartments to report their rent increases for the previous 12 month period by unit. The purpose of this reporting will be to establish a monitoring system to determine the extent of rent increases occurring within the City and compare with other adjacent municipalities. This will allow the Council the opportunity to determine if some form of rent control is necessary. The ordinance shall also stipulate that new buyers of Foster City apartment buildings be made aware of the ordinance's existence and its requirements.

2. It is the desire of the City to avoid any form of rent control, while accepting a responsibility to protect residents against unfair rent increases.

Implementation:

- a. Draft an ordinance to require all Foster City apartments to report quarterly on rental rates for each unit over a period not to exceed one year. The purpose of this reporting will be to establish a monitoring system to determine the extent of rent increases occurring within the City and compare with other adjacent municipalities. This will allow the Council the opportunity to determine if some form of rent control is necessary. The ordinance shall also stipulate that new buyers of Foster City apartment buildings be made aware of the ordinance's existence and its requirements.



IV MAINTAIN AND PRESERVE EXISTING HOUSING QUALITY

THE NEED TO PRESERVE HOUSING QUALITY

The housing in a community plays an important role in defining the overall character of the community. Maintaining the existing quality of the housing will continue to make Foster City a unique and desirable community. New housing construction is regulated through the development approval process. This insures that the appropriate densities, designs, and standards will be incorporated into the plan. The focus must also be on the existing stock which should be viewed as a valuable resource that the City cannot afford to let decline.

A. Housing Conditions in Foster City

Overall, Foster City's housing is relatively new, of high quality, and located in good neighborhoods. In part, because none of its housing is over 18 years old, Foster City does not face the serious deterioration problems of other Bay Area communities. Of the July 1980 estimated 9,269 dwelling units about 25 percent were built before 1970. However, since a significant percentage of the housing was built within a 15 year period (i.e., after 1964), it will reach the age when structures begin to develop problems that can lead to serious deterioration if not corrected, at about the same time. Only about 291 dwelling units existed before 1964 and they were probably constructed between 1962 and 1964.

Structural age, while it indicates potential housing problems, is not the only factor to review when considering deterioration. Deterioration is also a result of improper design, lack of maintenance, inadequate sound proofing, and other similar factors.

B. The 1970 Census

The 1970 U.S. Census surveyed housing conditions and found a total of three units that were classified as lacking some or all plumbing and/or lacking complete kitchen facilities. Because of the small 1970 population, census statistics on overcrowding are unavailable. This is a potential problem since housing costs may encourage families to live together to afford housing.

C. Windshield Survey

A windshield survey was conducted by staff in March 1980 to identify single family homes in Foster City that appeared to need some type of repair. A total of 207 single family homes, 12 percent of those surveyed were found to have exterior problems. Windshield surveys are limited to what can be seen from the outside of a dwelling.

Electrical, plumbing, and termite related defects could not be assessed. The great majority of problems identified required only minor work.

The most frequently found problem involved the need for minor painting or wood staining. A number of the newer homes in Neighborhoods 6 and 7 have experienced problems with the uneven fading of the exterior wood stain. Figure 27 shows the results of the windshield survey of single family homes.

A windshield survey was also made for multifamily units in Foster City. The most serious problems were found in Neighborhood 1 where uneven settlement and surface cracks were apparent on some of the structures within a townhouse development. The other buildings surveyed throughout the City generally had good exterior appearance, though some were in need of paint, fence repair or brick efflorescence was apparent.

FIGURE 27
WINDSHIELD SURVEY - SINGLE FAMILY HOMES

<u>PROBLEMS</u>	<u>NEIGHBORHOODS</u>							
	1	2	3	4	6	7	8	9
minor painting	20	25	9	11			13	15
yard maintenance	1	4					1	4
surface cracks	2		1	1				2
spalling		1		1				
roof		1						
dry rot or streaks on stucco	1	2		2				
brick efflorescence	2	1		1			1	1
wood warping	1	2						
wood need staining	3	5			25	36		1
broken window	1							
fence needs repair	<u>1</u>	<u>3</u>	<u>1</u>	<u>—</u>	<u>1</u>	<u>—</u>	<u>4</u>	<u>—</u>
total units needing repair:	32	44	11	16	26	36	19	23
total units surveyed:	226	389	148	219	145	86	250	226

ALTERNATIVE MEASURES TO MAINTAIN AND PRESERVE EXISTING HOUSING QUALITY

Housing conservation programs can involve several processes: code enforcement, education and financial assistance. Education allows homeowners to be aware of measures to guard against problems associated with deterioration while code enforcement identifies problem situations and financial assistance enables low income owners to make repairs. The following alternatives can be considered.

A. Code Enforcement Programs

Code enforcement refers to both zoning and building violations, which sometimes overlap as in the case of illegal room additions. The Zoning Ordinance is concerned primarily with illegal structures or uses while the Building Code is concerned with construction violations. The most prevalent type of code enforcement used by localities is described as complaint-response. This procedure involves investigation of zoning violations by City staff based upon complaints from neighbors or tenants. This practice is followed by Foster City. In 1979, there were about 128 reported violations. When a violation is reported there are several on-site investigations. If, in fact, a violation is occurring, a letter is sent to the building owner and, depending on the response, the matter may be referred to the City Attorney. Figure 28 shows the types of code violations reported.

A mandatory Building Code enforcement program would involve the hiring of an inspector to make interior and exterior home inspections to determine the existence of Building Code violations.

Another type of code enforcement is a concentrated approach which is directed to specific neighborhoods. Foster City currently is conducting a systematic field investigation of zoning violations visible from the street.

In January and February, 1980 the City Planning staff conducted a Citywide survey of illegally stored vehicles: recreational vehicles, campers, camper shells, trailers, boats, and disabled vehicles. There were 120 violations identified.

Pre-Sale Code Enforcement, which requires a city inspection prior to sale or rental, provides still another method of insuring the continued maintenance of a city's housing stock.

FIGURE 28

1979 SUMMARY OF CODE VIOLATIONS

<u>Number</u>	<u>Violation</u>
45	Illegally parked vehicles
30	Illegal structures
20	Illegal antennas
10	Property Maintenance
23	Miscellaneous (noise, odors, etc.)
<u>128</u>	

Voluntary home surveys are offered by some localities to provide free code inspections to owners and buyers. The Foster City Fire Department currently conducts a voluntary home inspection program. Each year about 28% of the homes are inspected for fire safety. The Fire Department provides this service by going directly to the homes to offer on-site inspections. Due to its limited staff the Building Department screens phone requests for home inspections to cases where there are apparent major construction problems. Since the law requires major structural, health or safety violations to be reported, mandatory or voluntary code enforcement programs are not popular with owner-sellers who are concerned with incurring additional expense. Some California cities do require a disclosure of conditions that require certain code-related information to be revealed to buyers of homes before purchase. This type of program offers buyers special protection.

B. Rehabilitation Assistance Programs: Grants and Low Interest Loans

Rehabilitation Assistance Programs have several advantages. These programs provide financial incentives to homeowners to maintain their dwellings and make repairs. They minimize the negative effects of code enforcement programs by providing financial assistance to owners required to make repairs. The expenses associated with repairs are reduced, especially for low income households.

There are various types of rehabilitation assistance programs. Direct grant programs are for the lowest income groups and provide subsidies with no payback of funds. Other loan programs that are connected with local financial institutions use public funds to reduce the market interest rate on home repair loans. These programs can be difficult to administer and take a considerable amount of city time. A rebate program provides homeowners with rebates upon completion of repairs. This program can be instituted for low income families only or to provide incentives for all families to upgrade a specific neighborhood. It can also involve a reduction in permit fees.

Funds for rehabilitation assistance programs are available from Community Development Block Grant funds. Also the California Housing Finance Agency has funds for rehabilitation loans. The Marks-Foran Residential Rehabilitation Act of 1973 allows the cities to sell revenue bonds for rehabilitation loans and SB 99 (1975) allows redevelopment agencies to issue revenue bonds in order to provide long-term, low interest loans to finance residential construction in redevelopment areas.

C. Education in Home Maintenance

A program similar to the energy audits conducted by the Pacific Gas and Electric Company could be designed to provide home maintenance education to homeowners. Such a program could present information on how to make simple repairs, prevent insect infestation, and insure proper maintenance and servicing of equipment. This educational information could be disseminated in pamphlets and lectures. A list of volunteers to help with home repairs or home repair problems could be maintained.

POLICIES AND IMPLEMENTATION PROGRAMS TO MAINTAIN AND PRESERVE EXISTING HOUSING QUALITY

1. The City will encourage measures to maintain its existing housing stock in its overall good condition.

Implementation:

- a. Continue and expand the existing zoning code enforcement programs and the Planning Commission shall review their adequacy. The citation procedures should be completed and implemented. The Planning Staff can explore methods to record identified code violations with the County. Add an ongoing educational program regarding the importance of code compliance including landscaping standards. This program can be accomplished through articles in the local newspapers and mailings with the water bills.
- b. Continue the voluntary fire code inspection program.
- c. Determine the need for an expanded building code enforcement program. If necessary, request adequate staff to establish a voluntary building and zoning code inspection program for the Building and Planning Departments.
- d. Appoint a task force to review and make recommendations regarding improvements or additions to the Building Code. Topics to be covered include energy conservation measures, noise insulation standards, and home additions.

2. The City will encourage rehabilitation efforts when necessary.

Implementation:

- a. Information on the amount and type of housing requiring rehabilitation should be obtained by the task force that reviews and makes recommendations regarding the Building Code. If sufficient need is evident, the City can explore the use of Community Development Block Grant funds to assist in rehabilitation by establishing a Housing Conservation Area. The use of Marks-Foran or SB 99 revenue bonds can also be considered to finance rehabilitation loans.



V ESTABLISHING AND CONTINUING THE HOUSING PROGRAM

PROGRAM SELECTION

The programs and policies selected in this document provide the best methods for Foster City to achieve its housing goals under the current market and governmental constraints. Participation in the Section 8 Existing Program will allow Foster City residents and/or potential residents having an annual income of 80 percent or less than the County median to receive assistance payments. These payments will make up the difference between the tenants' ability to pay and the figure established by HUD as the "fair market rent." There are no current statistics to indicate how many Foster City households might qualify for Section 8 assistance. Because of the low vacancy rate, potential residents who are certified by the County to receive Section 8 will most likely have to be placed on waiting lists for Foster City apartments that have "fair market rents." In addition to the problems involved in locating a vacant Foster City apartment, with rents in the range acceptable by HUD, the demand for subsidies exceeds the supply. There are more households in the County that qualify for subsidies than there are available subsidies. However participation in the Existing Section 8 Program will enable the City to meet a portion of its fair share goals and has no costs for the City. Limiting conversions of rental apartments will also insure the availability and supply of the existing lower cost housing in the City. Adopting an age discrimination ordinance will make approximately 185 more rental units (part of the existing supply of lower cost housing in the City) open to families with children.

The lack of available residential land will require rezoning to insure that additional units for low and moderate income seniors and handicapped are built. Prior to a rezoning, further assessment of the sites identified in this document will be necessary. The usual procedure is that this evaluation is conducted by the County Division of Housing and Community Development. The City will assist the County in these efforts and act upon the County's recommendations.

FUNDING SOURCES

1. Public Sources

Foster City has recently signed a cooperation agreement with the County to participate in the Community Development Block Grant (CDBG) Program which was established by the Housing and Community Development Act of 1974. It is uncertain as to the actual amount of funds, if any, that would be available to Foster City. The Block Grant Program is presently the major potential funding source that could be used for land banking and rehabilitation. Therefore, the City should give priority to review and apply for funds from this program. Section 8 subsidies are administered through the County also under the provision of the Housing and Community Development Act of 1974.

The other potential sources for new construction of low cost housing and rehabilitation are state-instituted programs. The California Housing Finance Agency (CHFA) has funds for loans and new construction. Depending on the type of project, a CHFA project might require a referendum because of stipulations of Article 34 of the California State Constitution. The Marks-Foran Residential Rehabilitation Act of 1973 allows cities, counties, and housing authorities to issue tax exempt revenue bonds for the purpose of financing rehabilitation loans. SB 99 (1975) permits redevelopment agencies to provide long-term, low interest loans to finance residential construction in redevelopment areas.

2. Private Sources

The collection of in-lieu fees from the developers of 1,600+ remaining residential units will also provide funds to write-down land costs for the construction of low and moderate income housing in Foster City.

PROGRAM COSTS

Some of the projects suggested in the Housing Element would require a commitment of funds if they are to be implemented. The following project list estimates the costs of these projects and provides potential funding sources.

<u>POTENTIAL PROJECTS</u>	<u>COST ESTIMATES</u>	<u>POTENTIAL FUNDING SOURCE</u>
"Write-Down" Land Costs	\$200,000-\$500,000	CDBG, In-Lieu Fees
Rehabilitation Loans	*	CDBG, CHFA, M/F, Section 8
Support of Operation Sentinel for its efforts to reduce discrimination	\$2,000	CDBG
* Develop a condominium conver- sion ordinance	**	
Ongoing educational program (code compliance)	\$1,000	City
Support of non-profit agencies promoting lower cost housing	\$5,000	CDBG
Develop an age discrimination ordinance ***	\$ 500	City
Develop an ordinance to provide affordable housing by requiring developers to provide a portion of the units affordable to low and moderate households, or land for such housing, or in-lieu fees ***	\$1,000	City

<u>POTENTIAL PROJECTS</u>	<u>COST ESTIMATES</u>	<u>POTENTIAL FUNDING SOURCE</u>
Develop an ordinance requiring disclosure of code violations	\$1,000	City
Develop an ordinance to monitor rent increases	\$2,000	City
Expand zoning code enforcement programs	\$1,000+	City
Determine the need for a building code enforcement program and/or voluntary building and zoning code inspection program	\$1,000+	City

CDBG = Community Development Block Grant Program

CHFA = California Housing Finance Agency

M/F = Marks-Foran

- * Need for this program has not yet been established.
- ** Funds allocated and ordinance in process of being drafted.
- *** Model ordinances already exist.

CITIZEN PARTICIPATION

The Housing Element was developed by a seven-member citizens group known as the Citizens Advisory Committee who worked for four months reviewing a draft and providing valuable input. This committee represented different segments of the Foster City community and provided research on issues, evaluated alternatives and made recommendations as to policy and program content. Committee meetings were open to the public to obtain additional input. A special public hearing was held to assess the impacts of condominium, community apartment, and cooperative conversions, as well as furthering community participation. Citizen comments were also obtained during the public hearings on the Housing Element held by the Planning Commission and City Council.

Continued citizen participation will help the success of the program and should be encouraged when the Housing Element is being reviewed, updated, and/or evaluated. It is recommended that a committee be appointed during one month each year to review a staff report on the progress made during the previous year to achieve the goals of the Housing Element. It would be preferable that former members be appointed to provide some continuity to the process. The Committee would be responsible to issue a written report to City Council regarding the attainment of annual goals and also to make any necessary recommendations regarding further actions needed to achieve the goals.

POLICIES AND IMPLEMENTATION PROGRAMS TO INSURE CITIZEN PARTICIPATION

1. The City will encourage citizen participation to obtain input and review the progress of the housing program.

Implementation:

- a. Appoint a Citizens Housing Advisory Committee to become active one month each year in order to review the progress made toward the achievement of goals and make any recommendations regarding further actions needed to achieve goals. It would be preferable that former committee members be appointed to provide some continuity to the process. The Committee will be responsible to issue a written report on its findings to the Council.

RELATIONSHIP OF THE HOUSING ELEMENT TO OTHER GENERAL PLAN ELEMENTS

The General Plan is a comprehensive and generalized policy guide for urban development, composed of specific elements which discuss goals, policies, and programs. The Housing Element complements the General Plan by defining policy, proposing new programs and incorporating data and analysis specified by the State of California. In addition to the Housing Element, the State Guidelines require the following other elements: Land Use, Circulation, Noise, Scenic Highways, Open Space, Conservation, Seismic Safety and Public Safety. These elements place some regulation on the design and location of residential development projects.

For example, the Land Use and Circulation Elements are the building blocks that integrate the other elements. These two elements define the city form, densities, and the location and movement of people and goods. The Housing Element may require changes in the Land Use Plan in order to accommodate the proposed subsidized housing. These changes can be accomplished by a General Plan Amendment or a revision of the Land Use Element.

The Open Space and Conservation Element preserves open areas which are essential to maintaining the quality of life within a community. Provision for public facilities and open space are part of the development approval process both for residential and non-residential projects.

The Seismic Safety Element makes recommendations for guiding and regulating development in seismic areas such as Foster City. The scientific and engineering information in the Element is used to regulate the development of housing in order to protect lives and property.

The Noise Element recommends that the City should establish a system of noise review as part of the review process for architectural review and planned development projects to insure that noise standards are met. Future developments are required to incorporate treatment of surrounding noise impacts. The most noticeable noise source in Foster City is from aircrafts using San Francisco International Airport and San Carlos Airport. The most adversely affected area is Neighborhood 2 which is located almost directly under the approach to San Francisco International Airport's runway 28L. Flights from San Carlos Airport have less impact on the community but are more noticeable by residents of Neighborhood 8. The only way the City can restrict this type of noise is by regulating land use and requiring building insulation.

The Public Safety Element introduces safety considerations into the planning process. It covers fire prevention and control, crime prevention and provision of emergency services. It relates to the Housing Element by emphasizing the safety features in residential projects.



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The Scenic Highways Element provides for the planning of scenic highways by designating local scenic routes. These routes are to be convenient to the population while providing access to and connecting residential areas. Consideration of roadway aesthetics is to be taken into account in future residential developments.

On a County level, this Housing Element conforms with the housing goals and policies that are part of the San Mateo County Housing Element. The "fair share allocation" for Foster City uses the figures provided by the State Department of Housing and Community Development to assess Housing Needs. In accord with the State Guidelines Foster City has accepted its fair share of the region's non-market rate housing need.